Western Cape

SOCIO ECONOMIC PROFILE: WEST COAST DISTRICT 2006

Western Cape · home for all · tuiste vir almal · ikhaya lethu sonke · Wes-Kaap · INTSHONA KOLONI

iKapa elihlumayo
Dignity Equity Prosperity
Waardigheid Billikheid Welvaart

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The *Socio Economic Profile: West Coast District* is compiled using available information from the Western Cape Provincial Government and other sources. Some of the information is unaudited and may have been revised by the time of publication.

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Foreword

The local government sphere has, since the new democratic era evolved, become a major influence in shaping the country's social fibre. The Municipal Financial Management Act (MFMA) that came into effect in June 2004 and read together with the Municipal Structures and Systems acts, was an instrumental landmark policy in entrenching good fiscal governance in and strengthening the role of local government.

Although the National Minister of Finance retained his legislative role and direct monitoring role over the larger municipalities, the major oversight role is entrusted to provinces under the guardianship of the MECs of Finance, acting in partnership with MEC's of Local Government.

As the custodian of provincial resources, and in the interest of making the Western Cape "Home for All", we are mindful of the local government's mandate to:

- foster governance and accountability;
- provide services to communities in a sustainable manner;
- promote social and economic development;
- promote safe and health environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

South Africa's macroeconomic story has over the past 12 years been impressive. However, we need to get a better understanding of why the fruits of our country's economic growth have stubbornly remained beyond the reach of the wider segment of the population.

In the Western Cape, the oversight role of the Provincial Treasury has made it imperative that we understand the spatial dimension of economic activity and government's interventions, to equip decision makers with a much needed evidence-based approach to resource deployment and hopefully improve service delivery.

Unemployment, poverty and inequality remain the Achilles' heel of our economy, but the magnitude of its adverse impact varies from area to area. Challenges in local government therefore remain. Economic benefits are not equitably shared across communities, and multiple deprivation in terms of access to employment, income, health, education, and living environment widens the rift between the rich and the poor.

The West Coast District, home to the Saldanha-Vredenburg growth node and a strong regional development corridor in the west, enhances the province's growth potential and foreign direct investment. The West Coast has a wide range of economic activity, ranging from agriculture, forestry and fishing, manufacturing and tourism.

The conception of the *Socio Economic Profile: West Coast District*, benefited immeasurably from the contribution of different sources, helping us to bring together a wide range data in one publication. This Profile thus attempts to paint a picture of the current state of affairs drawing from a wide range of quantitative and qualitative data sources to assist and encourage a spatial approach to planning and capacity building.

In taking the development debate further, this publication is intended to empower councillors, policy makers in both the provincial and national government spheres and every citizen of the province to gauge developments in their respective municipalities while stimulating municipal ward discussions and actions towards a better future for all.

In closing, it's been a long road from the point where we first conceptualised this Profile, and we would like to express our appreciation for the inputs and many suggestions received from municipalities in finalising this product.

Lynne Brown
MEC of Finance and Tourism
Western Cape Government

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West Coast District

Real GDPR (2004)	:	R5,6 billion
Total population (2006)	:	320 929
Urban /rural	:	69,9% : 30,1%

Socio-economic indicators

Population projections by municipal area

	District	Matzikama	Cederberg	Bergriver	Saldanha Bay	Swartland	DMA
2001	**285 323**	50 088	39 563	48 076	71 341	72 370	3 884
2006	**320 929**	58 840	45 301	54 568	81 121	76 225	4 873
2010	**346 760**	64 995	49 680	60 292	88 656	77 897	5 239

Centre for Actuarial Research (CARE), 2005

Population growth rate	
2001 - 2006 (average annual %)	2,38
2006 - 2010 (average annual %)	1,95

CARE, 2005

Population density: 9,7 persons per km^2

Households in urban areas: 30,11%

Households in rural areas: 69,89%

Bordering municipalities

- Namaqua District, Northern Cape
- Cape Winelands District, Western Cape
- The City of Cape Town, Western Cape

Health							
	District	**Matzikama**	**Cederberg**	**Bergriver**	**Saldanha**	**Swartland**	**DMA**
Number of medical facilities	74	12	12	15	12	17	6
Nurse-patient workload per day	40	34	37	35	57	36	
Percentage births under 2.5kg	16	21	20	24	14	8	
Proportion of under 1 year olds with 1st measles immunisation	88	82	79	87	86	101	58
TB prevalence rate	1214	1708	1303	969	1062	1135	1148
TB cure rate	73	72	77	75	76	67	77
HIV/AIDS prevalence 2005	3.2	2.6	3.0	2.6	4.3	3.1	2.7
Number of AIDS deaths 2005	425	61	55	56	150	98	5
HIV/AIDS prevalence 2010	4.3	3.6	4.1	3.6	5.5	3.9	4.5
Number of AIDS deaths 2010	807	124	110	114	282	164	13

Department of Health, District Health Review, 2005

Education							
	District	**Matzikama**	**Cederberg**	**Bergriver**	**Saldanha**	**Swartland**	**DMA**
Percentage of people older than 14 years illiterate	29	31	34	30	21	31	34
Learner-educator ratio	37	36	36	37	38	37	
Number of schools (High and primary)	133	26	24	24	19	40	

Western Cape Education Department, 2005

Crime (2004/2005)							
	District	**Matzikama**	**Cederberg**	**Bergriver**	**Saldanha**	**Swartland**	**DMA**
Number of police stations	26	5	5	5	5	5	1
Total number of cases reported	21642	3469	2793	2697	6687	5881	115
Number of murders	164	25	22	19	45	53	0
Number of rapes	456	94	74	44	95	148	1
Drug related crimes 2002/2003	1617	374	259	299	285	378	22
Drug related crimes 2004/2005	3480	598	687	954	613	613	15

South African Police Services, 2005

Strengths	**Challenges**
Diversified economy	Growing unemployment.
Growth potential	Poor basic service levels (refuse removal, energy and sanitation)
Decline in total number of reported crimes	High work-loads (education and health)
Improved debt collection	Escalating drug-related crimes

Introduction

West Coast District Municipality, a category C municipality, is situated on the west coast of the Western Cape Province bordering the Northern Cape in the north, and the Cape Metro and Cape Winelands Districts of the Western Cape in the south and south-east.

The Atlantic Ocean in the west is the source of the district's large and rich fishing sector. The district includes five local municipalities, namely Matzikama, Cederberg, Bergriver, Saldanha Bay and Swartland, as well as the four District Management Areas of Bitterfontein, the Cederberg Wilderness Area, West Coast National Park and Hexberg.

The district's largest economic sectors are the following:

- Manufacturing (20,6%);
- Agriculture, Forestry & Fishing (19,4%);
- Wholesale & Retail Trade, Catering & Accommodation (16,1%); and
- Finance & Business services (13,3%).

In 2001, Manufacturing (40,5%) and Agricultural (10%) sectors were the largest employers (Census 2001). However, these labour-absorptive sectors grew only moderately over the inter-census period (1996 to 2001), with Agriculture growing at 2,9 per cent and manufacturing at 2,1 per cent.

The district is a semi-arid region using the inland areas for commercial agriculture, including wheat and citrus farming. It includes the naval, commercial and fishing port of Saldanha Bay, which is the centre of the South African fishing industry and a major portal for the export of commodities.

The Cape West Coast is also a great tourist attraction, attracting tourists from all across the globe. The unspoilt white beaches are complemented by magnificent mountain ranges and spectacular wild flowers.

The West Coast area consists of six main areas, namely Saldanha Bay, St Helena Bay, Cederberg, the Olifants River Valley, Swartland and Sandveld. In spring daisies and other wild flowers explode across the landscapes in a beautiful abundance.

As part of the fishing activities the district is also popular for its culinary experiences of oysters, mussels, crayfish, calamari, abalone, when in season, and line fish pulled from the cold Benguela Current (Wesgro).

The West Coast district's total population projection for 2006 is 320 929. Between 2001 and 2006 the district's population grew at an annual average rate of 2,38 per cent.

Of all the local municipalities in the district, Saldanha Bay (25,3%) and Swartland (23,8) have the largest populations in 2006.

Economic outlook

This section provides some detail on the economic potential of the district. There is an analysis of the sectors and their relative importance in the local economy as well as growth trends.

According to the Town Potential Study (2004), many towns in the district generally have 'low development potential' and 'very low human needs'. Towns with 'low' and 'very low' development potential are concentrated in the West Coast interior and at former mission stations.

Saldanha Bay is a focal point for growth in the West Coast region. The development of the harbour for the oil and gas industry provides opportunity to attract further investment in the supporting industries. (Growth Potential of Towns in the Western Cape, 2004)

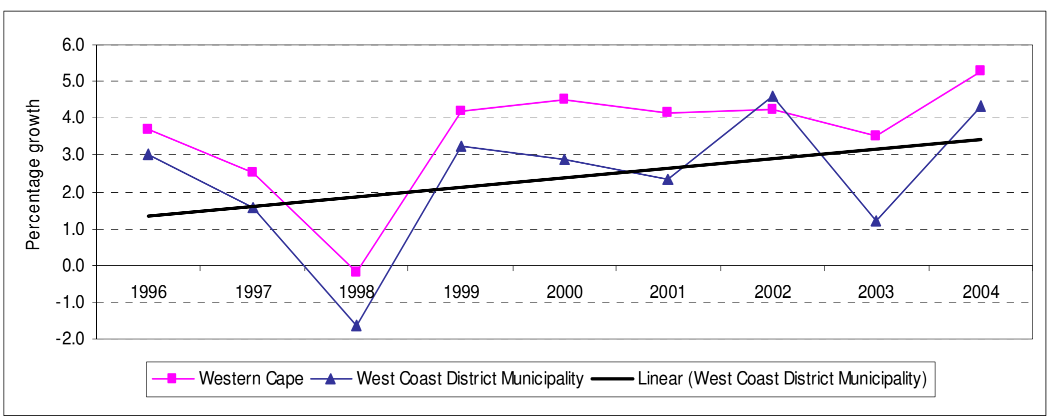
The West Coast presents opportunities for renewable energy generation from wind power. Such an example is the Darling wind farm in the Swartland. A landscape study is under way to investigate suitable areas for wind energy developments in the Western Cape – the Cape West Coast Biosphere Reserve is a pilot research area.

The West Coast is a water scarce region that faces water shortages and supply limitations. With almost 20 per cent of the district's GDPR (Gross Regional Domestic Product) in 2004 coming from the agriculture, forestry & fishing sector, this could act as a real inhibitor to economic growth.

The district also has a sensitive marine environment which needs the fishing industry to be managed in a way that places strong emphasis on sustainable development.

Overall, the linear growth trend over the period 1996 to 2004 for the West Coast District was positive (Figure 1). For most years its growth was below, although in line with the provincial (Western Cape) growth trend, only outperforming the provincial growth in 2002.

Figure 1: GDPR growth trends—West Coast districts and Western Cape, 1996 - 2004



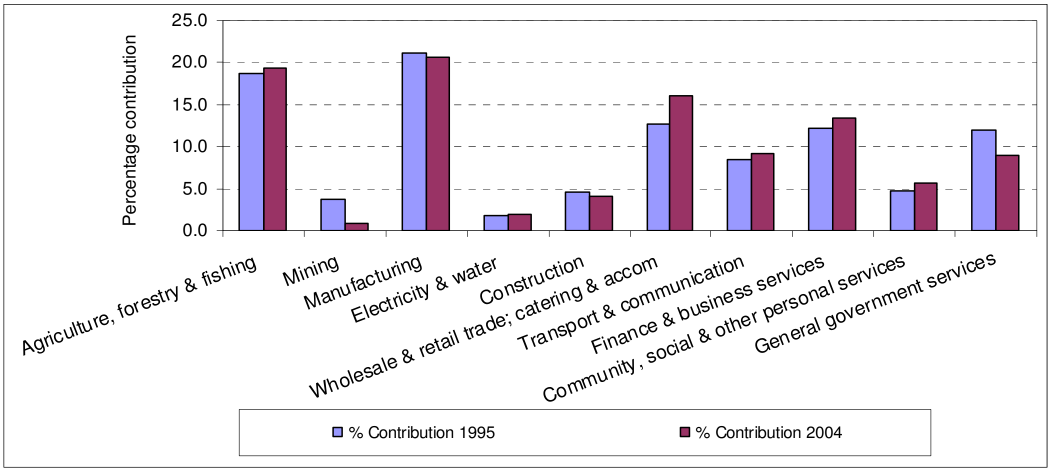
Own calculations, Quantec Research 2006

The district registered an annual average growth rate of 2,4 per cent per year (1996 to 2004), which was below the Western Cape's average growth of 2,9 per cent.

When measured over the more recent four-year period, between 2000 and 2004, district growth increased to 3,1 per cent on average, reflecting an upswing in the economy. This was however, below the provincial growth rate of 4,3 per cent over the same period.

Sectoral trends and contribution to the GDPR[1]

Figure 2: West Coast District Municipality - Sectoral contribution to GDPR, 1995 and 2004

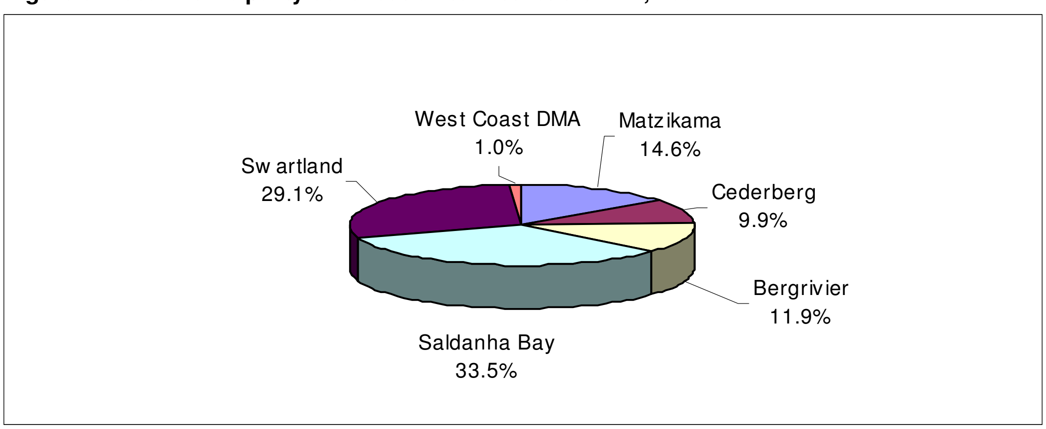


Own calculations, Quantec Research 2006

Over the period 1995 and 2004 (Figure 2), the biggest change in contribution to GDPR was Wholesale & Retail; Catering & Accommodation sector (12,7% to 16,1%).

The Finance & Business Services sector also increased its share from 12,2 per cent to 13,3 per cent. The largest decline in sector contribution to the total has been in the General Government Services sector that declined from 12 per cent to 8,9 per cent.

Figure 3: Local municipality contribution to District's GDPR, 2004



Own calculations, Quantec Research2006

Saldanha Bay (33,5%) and Swartland (29,1%) municipalities made the largest contributions to the West Coast District's GDPR in 2004, while Cederberg contributed only 9,9 per cent.

[1] This section is based on GDPR data from Quantec Research, unless noted otherwise.

West Coast District within the Western Cape

The West Coast District contributed about 4 per cent (R5,6 billion) to the Western Cape's total GDPR (R140,9 billion) in 2004. Of all sectors, only the Agriculture, Forestry & Fishing (17,15% of provincial GDPR for the sector) and the Mining (18,5% of provincial GDPR for the sector) sectors contributed more than 15 per cent to the total Western Cape provincial sector in 2004.

The Western Coast Agriculture, Forestry & Fishing and Mining sectors are fairly small, jointly contributing only 4,7 per cent to the Western Cape's GDPR. All other sectors in the West Coast contributed less than 5 per cent to the Western Cape total for the respective sectors.

The Western Cape was a particularly strong player in the Finance & Business Services (28,8%), Manufacturing (18,3%) and Wholesale & Retail Trade; Catering & Accommodation (17,1%) sectors. The West Coast District's contributions to these sectors were relatively small.

West Coast District Sectors

The biggest sectors within the West Coast in 2004 were Manufacturing (20,6%), Agriculture, Forestry & Fishing (19,4%), Wholesale & Retail Trade, and Catering & Accommodation (16,1%) and Finance & Business services (13,3%). The Mining (0,9%) and Construction (4,0%) sectors were relatively small.

Table 1: Sectoral growth, 1995 – 2004

Industry	GDPR 2004 (R million)	Contribution per sector 2004 (Percentage)	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)	Growth 2003 – 2004 (Percentage)
Agriculture, forestry & fishing	1 093.2	19.4	2.9	2.1	2.5
Mining	53.0	0.9	-12.1	-3.1	1.3
Manufacturing	1 159.8	20.6	2.1	3.3	7.6
Electricity & water	105.9	1.9	2.8	3.4	5.7
Construction	227.4	4.0	0.9	1.9	2.0
Wholesale & retail trade; catering & accommodation	906.2	16.1	5.1	5.2	9.1
Transport & communication	515.3	9.2	3.4	2.7	1.0
Finance & business services	750.3	13.3	3.4	4.8	3.6
Community, social & other personal services	317.5	5.6	4.1	3.6	2.3
General government services	503.0	8.9	-1.0	0.4	0.2
Total	**5 631.6**	**100.0**	**2.4**	**3.1**	**4.3**

Own calculations, Quantec Research 2006

Between 1995 and 2004 the West Coast District economy grew at an average annual rate of 2,4 per cent. The fastest growing sector was Wholesale & Retail Trade; Catering & Accommodation that grew at an average annual rate of 5,1 per cent.

This was followed by Community, Social & Other Personal Services (4,1%), Transport & Communication (3,4%) and Finance & Business Services (3,4%).

Manufacturing

Within Manufacturing, the Food, Beverages & Tobacco sub-sector dominated (2004), accounting for 41,7 per cent of the total. This was followed by the Metals, Metal Products, Machinery & Equipment sub sector with 31,7 per cent.

Table 2: Manufacturing sub-sectors, 2004

Manufacturing sub-sectors 2004	Rand million	Contribution per sub-sector 2004 (Percentage)	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)
Food, beverages & tobacco	484	41.7	-0.3	0.0
Textiles, clothing & leather goods	32	2.8	0.0	2.0
Wood & paper, publishing & printing	46	3.9	-3.0	-3.0
Petroleum products, chemicals, rubber & plastic	59	5.1	4.0	1.0
Other non-metal mineral products	71	6.1	-4.0	0.0
Metals, metal products, machinery & equipment	367	31.7	10.8	11.0
Electrical machinery & apparatus	4	0.4	1.0	-1.0
Radio, TV, instruments, watches & clocks	12	1.1	3.0	5.0
Transport equipment	40	3.5	4.0	4.0
Furniture & other manufacturing	45	3.9	2.0	2.0
Total	**1160**	**100.0**	**2.1**	**7.6**

Own calculations, Quantec 2006

Agriculture, Forestry & Fishing

The Agriculture, Forestry & Fishing sector was the second largest in the West Coast in 2004. Growth of this sector across the district between 1995 and 2004 has been relatively good, averaging 2,9 per cent per annum.

Wholesale & Retail Trade; Catering & Accommodation

Within the Wholesale & Retail Trade; Catering & Accommodation sector, the Wholesale & Retail Trade sub-sector (as opposed to Catering & Accommodation) was the largest contributor at 91,8 per cent of the total sector. Average growth for the sector as a whole was 5,1 per cent between 1995 and 2004.

Transport & Communication

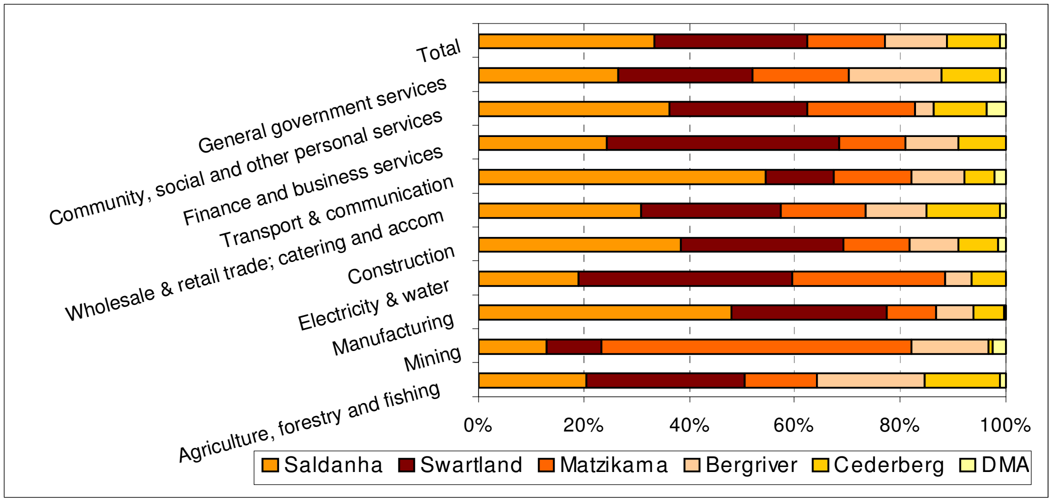
In the Transport & Communication sector, the transport-related activities dominated, accounting for 76,3 per cent of the sector's contribution, but grew at a slower average annual rate of 1,9 per cent between 1995 and 2004, slower than the Communication sub sector that grew at an average annual 10,4 per cent.

Mining

Mining was the smallest sector in the West Coast in 2004. Its performance has been very poor, declining at an average annual rate of 12,1 per cent between 1995 and 2004.

West Coast sector inter-municipal comparison

Figure 4: West Coast District – Local Municipalities' sectoral contribution to the District, 2004



Own calculations, Quantec 2006

Local municipalities' contributions differ from one another within the district's economic activities. In 2004, Saldanha Bay was strong in Transport & Communication (54,5%), Manufacturing (47,9%) and Construction (38,4%) sectors, while Swartland was strong in the Finance & Business Services (44%), Agriculture, Forestry & Fishing (29,8%) & Construction (30,7%) sectors. Matzikama contributed 58,7 per cent to the mining activities of the district.

Table 3: Local municipality sectors' contribution to West Coast District, 2004

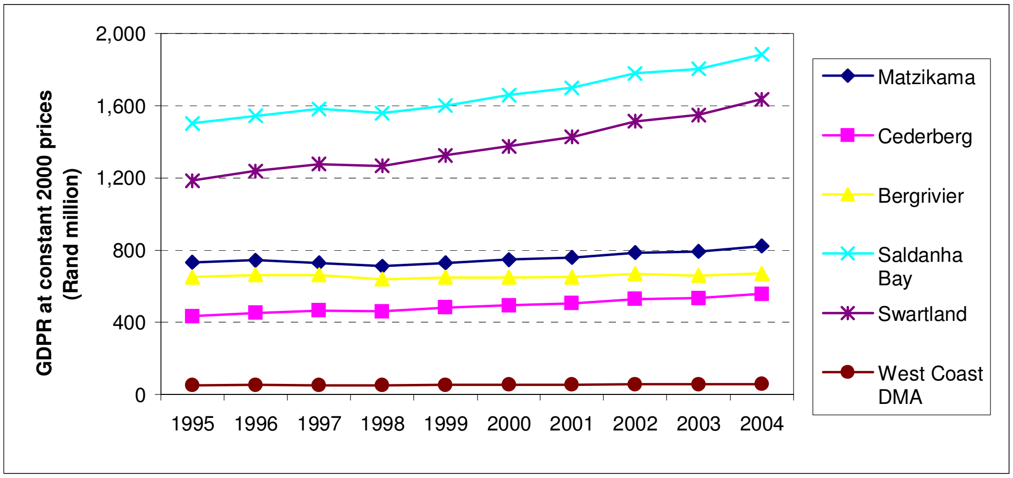
Contribution percentage 2004	Saldanha Bay	Swartland	Matzikama	Bergriver	Cederberg	DMA
Agriculture, forestry & fishing	20.6	29.8	13.8	20.5	14.2	1.1
Mining	12.9	10.3	58.7	14.8	0.7	2.6
Manufacturing	47.9	29.4	9.3	7.2	6.0	0.3
Electricity & water	18.9	40.4	29.2	4.9	6.5	0.0
Construction	38.4	30.7	12.8	9.0	7.7	1.5
Wholesale & retail trade; catering & accommodation	30.7	26.7	16.1	11.3	14.2	1.0
Transport & communication	54.5	13.0	14.4	10.2	5.9	2.0
Finance & business services	24.4	44.0	12.8	10.0	8.6	0.2
Community, social & other personal services	36.4	26.0	20.4	3.8	9.9	3.6
General government services	26.3	25.6	18.3	17.6	10.9	1.2
Total	**33.5**	**29.1**	**14.6**	**11.9**	**9.9**	**1.0**

Own calculations, Quantec 2006

Besides being the biggest, Saldanha Bay and Swartland have also been fastest growing municipalities in the district (see Table 4 and Figure 5).

Swartland grew at an average annual rate of 3,6 per cent between 1995 and 2004, and Saldanha Bay at 2,6 per cent.

Figure 5: Contribution of local municipalities to the West Coast District, 1995 – 2004



Own calculations, Quantec 2006

Cederberg, the municipality with the smallest economy in the district (9,9% of district total), also grew at comparative levels (2,9%), while Bergriver (0,3%) and Matzikama (1,3%) were sluggish. The average annual district growth between 1995 and 2004 was 2,4 per cent.

Table 4: Local municipalities' growth rates, 1995 - 2004

	Average annual growth 1995 – 2004 (Percentage)
Saldanha Bay	2.6
Swartland	3.6
Matzikama	1.3
Berg River	0.3
Cederberg	2.9
DMA	1.3
District	2.4

Own calculations, Quantec 2006

Demographic Profile

This section provides a picture of the West Coast population and gives an indication of the extent to which they are, and would like to be engaged in the economy through labour market participation and employment.

Demography

In 2001 the rural-urban division of households in the West Coast District was as follows: 30,11 per cent in rural areas, and 69,89 per cent in urban areas. The City of Cape Town has by far the largest population in the Western Cape. As its population is mainly urban, it leaves the other districts in the Western Cape with larger contributions to the province's rural population.

In 2001 the West Coast District had 20,5 per cent of all rural households in the province, but only 4,8 per cent of the urban households. There are very substantial differences between local municipalities as to their rural-urban proportions.

Large rural proportions are in Cederberg (51,2%) and the DMA (51,7%). Matzikama and Bergriver had very similar proportions (39,3%) of rural households, while 28,8 per cent of the households in the Swartland area were in rural areas.

Saldanha Bay is the most urban local municipality with only 5,6 per cent rural households.

Table 5: Rural and urban households, 2001

	Total number of households	Number of rural households	Rural households (Percentage)	Rural house-holds as percentage of province	Number of urban households	Urban households (Percentage)	Urban households as a percentage of province
West Coast District	**73 444**	22 115	30.1	20.5	51 329	69.9	4.82
Matzikama	**14 090**	5 535	39.3	25.0	8 555	60.7	16.7
Cederberg	**10 366**	5 303	51.2	24.0	5 063	48.8	9.9
Berg River	**11 707**	4 601	39.3	20.8	7 106	60.7	13.8
Saldanha Bay	**18 703**	1 050	5.6	4.8	17 653	94.4	34.4
Swartland	**17 402**	5 018	28.8	22.7	12 384	71.2	24.1
DMA	**1 176**	608	51.7	2.8	568	48.3	1.1

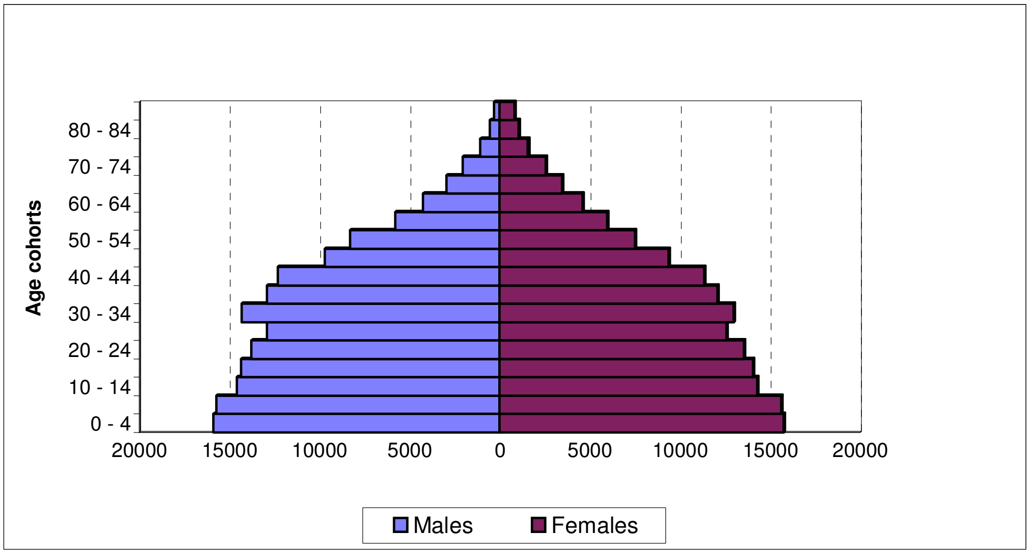
Demarcation Board (Census 2001 data)

The West Coast District's population pyramid has a broad base, indicating a large proportion of children. It also has a relatively large proportion of middle-aged inhabitants, particularly in the 30 to 44 year age group, after which the number of people in older age groups decline rapidly.

For 2006 the median age in the district is 27, with a dependency ratio[2] of 0,51. The dependency ratio is slowly on the decline and expected to decrease from 0,52 in 2001 to 0,50 in 2010.

[2]The dependency ratio is calculated as the number of 0-14-year-olds plus the number of 65-year-olds and older, divided by the number of people in the 15-64-year-old age group. This is to give a rough indication of dependency, but it should be noted that it is not linked to the labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

Figure 6: West Coast District population pyramid, 2006



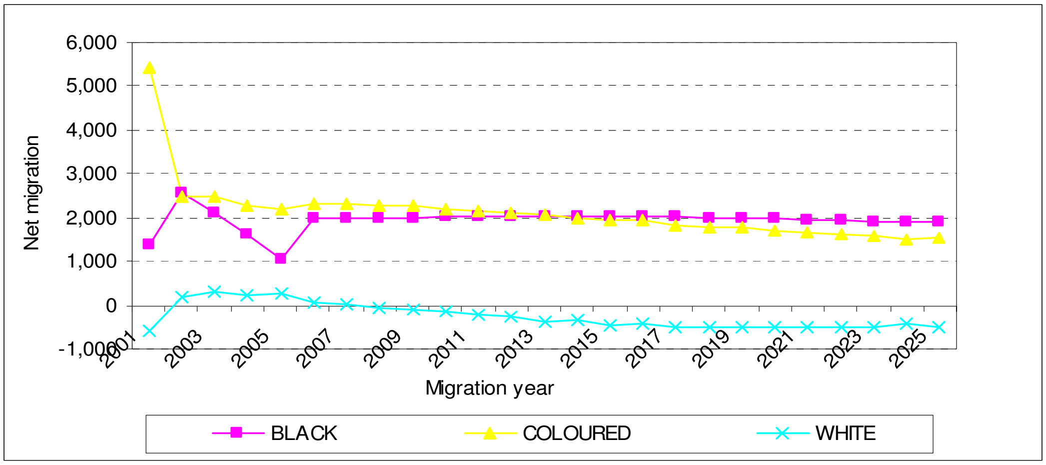
CARE, 2005

Population projections predict a total population in the West Coast District of 320 929 in 2006. This is up from the 2001 population of 285 323 (CARE, 2005, population projections for all local municipalities in the Western Cape). Between 2001 and 2006 the average annual population growth rate was 2,38 per cent. The growth rate is projected to decline to 1,95 per cent between 2006 and 2010, with 346 760 projected for 2010.

Most people in the West Coast District (2006) are Coloured (71%), while 17 per cent are White and 12 per cent African.

The population projection model also takes account of the effects of HIV/AIDS and migration. Projected migration figures show total net migration into the West Coast District of 6 222 in 2001, decreasing thereafter to 3 539 in 2005, and the increasing to 4 343 in 2006 and then slowly declining towards the end of the full projection period of 2001 to 2025.

Figure 7: Projected net migration – West Coast District, 2001 - 2025



CARE, 2005

Projections by race show that mainly Coloureds and Africans are migrating into the West Coast District. Between 2006 and 2025 African net in-migration is expected to remain around the 2 000 persons per year. Coloured net in-migration starts off high in 2001 at 5 428 persons, dropping considerably to 2 471 in 2002, after which it is expected to gradually decline through to 2025.

Between 2002 and 2007 there was also white in-migration, but this was low compared to other population groups. From 2008 onwards throughout the projection period there is projected out-migration of Whites from the district.

Labour market and skills

The labour market section discusses key trends in the labour market from 1996 to 2001 based on census information of 1996 and 2001. The West Coast compares well with other districts within the province on unemployment rates (2001 data), having the lowest unemployment rate in 2001. In 2001 the labour force of the West Coast represented roughly 44 per cent of its total population.

The district's working-age population[3] (people between the ages of 15 and 64) is estimated at 212 676, or 66,3 per cent of its total population in 2006. This is expected to grow at a rate of 2,02 per cent a year over the next four years, reaching 240 422 in 2010.

[3] ASSA 2003 Model projections, Centre for Actuarial Research 2005

Table 6: West Coast District labour market information, 1996 and 2001

	Employed	Employed (Percentage)	Unemployed	Unemployed (Percentage)	Labour force	Labour force participation rate	Not economically active	Total population 15-65 years
1996	91 129	90.2	9 929	9.8	101 058	69.8	43 629	144 687
2001	107 225	86.2	17 175	13.8	124 400	66.1	63 781	188 179

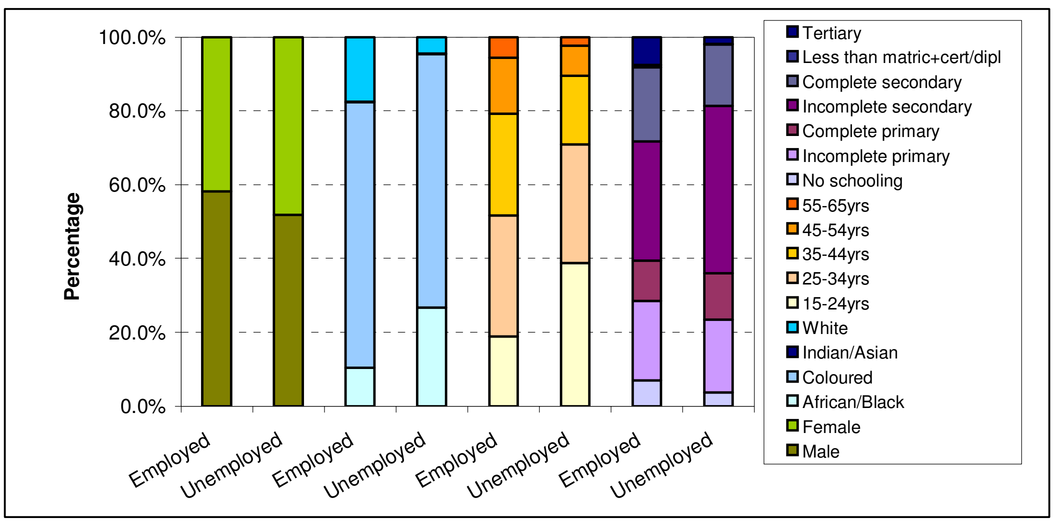
Statistics South Africa, Census 1996 and 2001

The labour force participation rate declined from 69,8 per cent to 66,1 per cent between 1996 and 2001, with an average annual growth rate of 4,2 per cent in the labour force.

Annual average growth in employment was 3,3 per cent and unemployment for the same period was 11,6 per cent. Unemployment growth outstripped employment growth with a resultant increase in the unemployed population of 7 246 during this period. The unemployment rate increased by 4 per cent over this period.

The proportions of employed and unemployed by gender, population group, age and education for 2001 are summed in the graph below.

Figure 8: The employed and unemployed, 2001

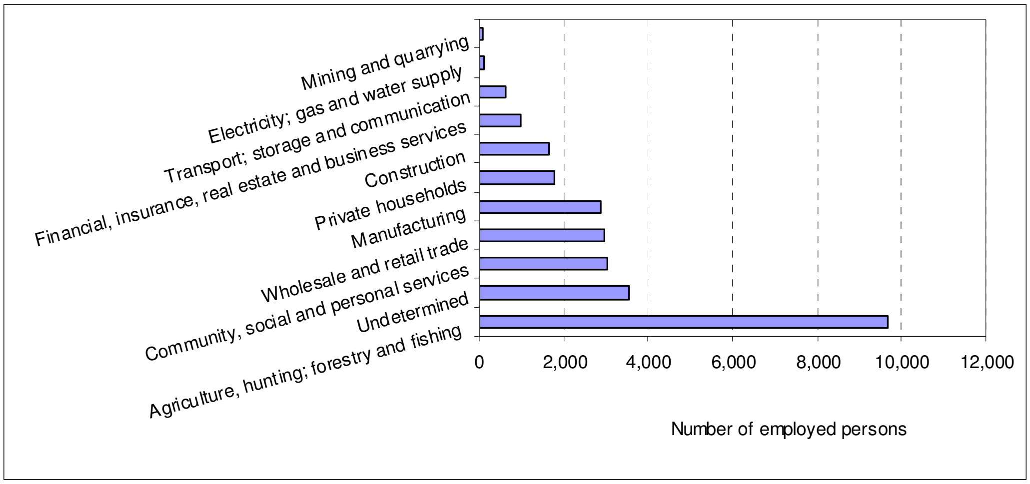


Statistics South Africa, Census 2001

Females, Africans and young people are more affected by unemployment, while males, whites and those in the older age groups are more likely to be employed.

In the West Coast District 71 per cent of the employed have incomplete secondary education or less, which is an indication of the district's economic orientation due to the dominance of agriculture, hunting, forestry & fishing and manufacturing sectors for job creation prospects.

Figure 9: Employment by sector, 2001



Statistics South Africa, Census 2001

The biggest employer in the West Coast District was the Agriculture, Hunting, Forestry & Fishing sector, employing 43 454 or 40,5 per cent, followed by the sectors for Community, Social & Personal Services (12,2% or 13 043 workers), Wholesale & Retail Trade (10,7% or 11 488 workers) and Manufacturing (10,2% or 10 902 workers).

Compensation of employees

Table 7: Labour compensation growth rate, 1996 - 2004

Municipality	1996	1997	1998	1999	2000	2001	2002	2003	2004
West Coast District Municipality	7.9%	8.5%	8.1%	8.1%	7.2%	5.7%	8.5%	10.2%	9.0%
Boland District Municipality	8.8%	9.4%	8.8%	8.4%	8.5%	6.2%	8.5%	10.4%	9.0%
Overberg District Municipality	7.2%	9.3%	8.6%	8.1%	7.9%	5.0%	8.4%	9.6%	8.3%
Eden District Municipality	9.8%	9.5%	8.6%	9.5%	9.8%	5.8%	9.8%	11.4%	9.2%
Central Karoo District Municipality	11.2%	10.6%	7.6%	8.5%	8.1%	6.5%	9.5%	11.7%	9.8%
City of Cape Town	10.4%	10.1%	8.7%	9.8%	9.9%	7.2%	9.0%	11.7%	9.3%
Western Cape	10.0%	9.9%	8.7%	9.5%	9.6%	6.9%	9.0%	11.4%	9.2%

Statistics South Africa

The growth in labour compensation in the West Coast District from 1996 to 2004 was strong, generally above 7 per cent, and exceeding 10 per cent in 2003. Labour compensation growth in the province has been above that of the West Coast District.

The skills profile of the district is disproportionate across the local municipalities. Saldanha Bay has the largest proportion of highly skilled and skill-employed people (combined total of 68%), while Cederberg (64,5%) and Bergriver (59,3%) have large proportions of low-skilled workers.

Table 8: District and local skills[4] proportions, 2001

West Coast District Municipality	District	Matzikama	Cederberg	Berg River	Saldanha Bay	Swartland	DMA
Highly skilled	12.3	12.0	9.3	9.1	16.6	12.4	11.7
Skilled	36.5	32.0	26.2	31.6	51.4	35.7	42.7
Low-skilled	51.2	56.0	64.5	59.3	32.0	51.9	45.6

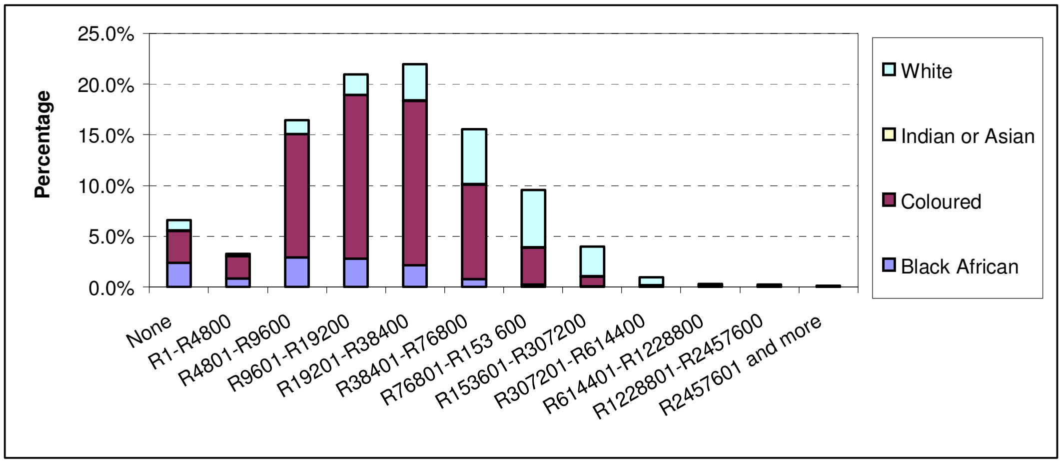
Statistics South Africa, Census 2001

[4]Skills are grouped by occupation. Highly skilled - Legislators, senior officials and managers, professionals, technicians and associate professionals; Skilled – Clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, plant and machine operators and assemblers; Low-skilled – Elementary occupations. Unknown occupations were excluded from calculations.

Access to services and household well-being

The well-being of the individuals and households is discussed here through its access to household income and basic and social services. The information on basic services is from the 1996 and 2001 census. Although it is five years on from the last census, it gives an indication of the level and changes in access in the inter-census period. The social services information is more up to date and communicates the health, education and crime challenges that the district faces.

Figure 10: West Coast District income distribution by population group, 2001



Statistics South Africa, Census 2001

Household income

Household income in the West Coast District is concentrated in the middle-to-low income categories. Of all households, 6,6 per cent have no income. A further 26,4 per cent earn a monthly income of between R1 and R800 and 42,9 per cent between R801 and R3 200. Whites dominate the high-income categories.

Female-headed households account for 29,2 per cent of all households, with 23,3 per cent of the heads of these households being 60 years or older, which makes the household head eligible for old-age pension. Households headed by those aged 15-19 years make up 1,2 per cent of the total number of households.

Social grants[5]

Social grants are social welfare payments to individuals on the basis of specific qualifying criteria meeting the requirements of the government needs test.

An example of this is the old-age grant, where there is a minimum age limit. Social grants supplement income for those vulnerable and in need, and lift households with no income out of abject poverty.

[5] South African South Security Agency 2006, ALLPAY annual data for 2005. Only represents payments made at ALLPAY stations.

The average number of grants paid monthly during 2005 in the West Coast District was 2 396. The largest proportions of recipients were those who received child support (39,8%) and old-age (29,3%) and disability grants (24%).

Table 9: Social grants, 2005

West Coast District	Average number of recipients (monthly)	Proportion of total number of recipients	Average monthly value of grant[6]	Total value of grants paid (monthly in Rands)
Old-age grants	701	29.3	730.84	512 620
Disability grants	576	24.0	820.49	472 328
Foster care grants	87	3.6	797.28	69 231
Care dependency grants	25	1.1	762.16	19 372
Child support grants	954	39.8	252.89	241 153
Grants-in-aid	50	2.1	164.50	8 157
All other grants	3	0.1		
Total number of grants	2 396	100.0	553.70	1 326 445

South African Social Security Agency (SASSA), 2006

Access to basic services

Access to basic services has considerable influence on the standard of living and quality of life of people living in the District. The figure below compares the West Coast District to the City of Cape Town on five measures of basic services, namely energy[7], water[8], refuse removal[9], telephone services[10] and sanitation[11]; it comprises only those households with access to less than basic services (as defined in the footnote). The negative sign indicates an improvement in access to the respective services.

[6] The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:
Lump sum for the beneficiary due to the date the grant was put in payment versus the application date
Lump sum for the beneficiary due to previous month's grant being uncollected
Lump sum for the beneficiary due to re-instatements
Yearly beneficiary uptake (new applications)
Yearly pay-point transfers (movement of beneficiaries between pay points)

[7] Energy - Gas, paraffin, candles or other

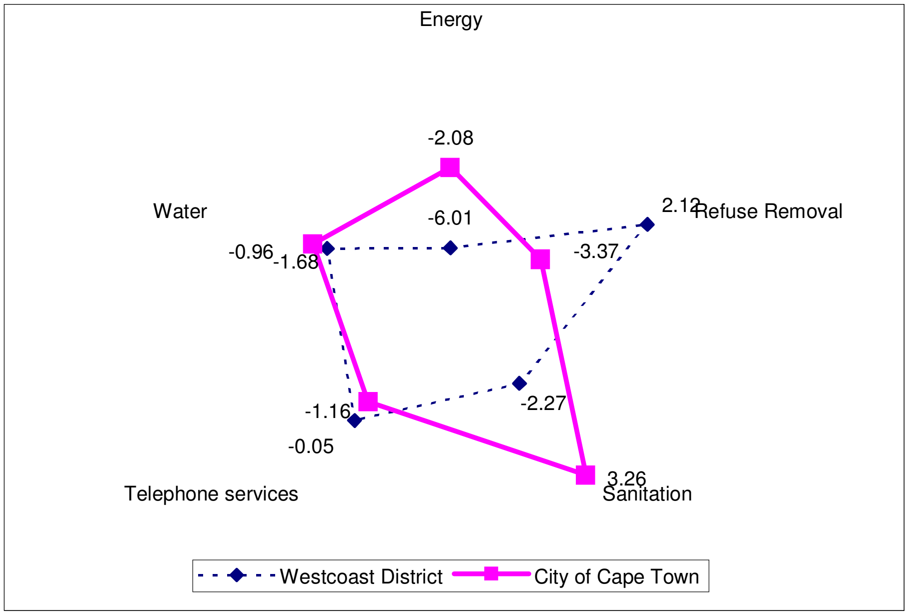
[8] Refuse removal - own refuse dump, or no rubbish disposal

[9] Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, or other

[10] Telephone services -Telephone at another location not nearby or no access to a telephone

[11] Sanitation - Bucket latrine, or none

Figure 11: Percentage change in households with below basic access to services – West Coast District versus the City of Cape Town, 1996 and 2001



Statistics South Africa, Census 200 - Community profile database, Development Bank of Southern Africa (DBSA)

Table 10: Changes in access to basic services between 1996 and 2001 – West Coast District

		Energy	Refuse removal	Sanitation	Telephone services	Water
West Coast District	Percentage change 1996-2001	-6.01	2.12	-2.27	-0.05	-1.68
	Number of households (change 1996 - 2001)	-841	6 994	907	1 315	-535
	Number of households with below basic access to services, 2001	9 348	21 227	8 017	4 911	1 521

Statistics South Africa, Census 2001 – Community profile database, Development Bank Southern Africa

The West Coast District outperformed the City of Cape Town as far as improvement in access to basic services such as energy, water and sanitation, but lagged behind on refuse removal and telephone services.

The proportion of households with below basic access to services remains high, especially for refuse removal (25,2%), energy (18,0%) and sanitation (12,6%); for telephone (6,4%) and water (3,6%) services these proportions are lower. From the table above, only water (841) and electricity (535) services showed progress in the number of households with access to these basic services.

Although the proportion of households with below basic access to sanitation and telephone services declined, the actual number of households in this category increased by 907 for sanitation and 1 315 for telephone services.

Refuse removal recorded an additional 6 994 households with below basic access. It is expected that the population will grow at an average annual growth of 1,96% between 2006 and 2010, which creates opportunities to focus on the elimination of existing backlogs.

Access to housing

The housing backlog[12] for the West Coast District increased to 7 334 units in 2004 from 6 847 in 2001, by a total of 487. Between 1994 and 2004 a total of 14 988 housing units were provided in the district.

Access to social services

Selected socio-economic indicators reflect deficiencies in education and health as well as high levels of crime.

Education

About 29 per cent of the population aged 14 and older had less than 7 years of formal education in 2001 and were considered to be illiterate.

The West Coast District does not compare well with other districts in the Western Cape on achieved education levels. Compared to the Western Cape, larger proportions of the West Coast District's population (20 years and older) had lower levels of education, but there were smaller proportions with higher education (Census 2001).

In the Western Cape 5,7 per cent of the population had no education, while the corresponding proportion for the West Coast District was 9,2 per cent. At the higher education levels the Western Cape's proportion was 11,2 per cent, while that of the West Coast District was 6,8 per cent.

Table 11: Education statistics

Education	District	Matzikama	Cederberg	Bergriver	Saldanha Bay	Swartland	DMA
Percentage of illiterate people older than 14 years	29	31	34	30	21	31	34
Learner-educator ratio	37	36	36	37	38	37	
Number of schools (high and primary)	133	26	24	24	19	40	

Western Cape Education Department, 2006

The differences in education attainment rates vary by local area within the West Coast (Table 12). The DMA and Cederberg areas had low levels of education attainment while Saldanha Bay did comparatively well.

[12] Inclusive of inadequate housing, but excluding overcrowding

Table 12: Highest education levels grouped for Western Cape districts for all persons aged 20 years and older, 2001

	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	Cape Town	Western Cape
No schooling	9.2	8.4	7.3	7.8	16.8	4.2	5.7
Some primary schooling	21.7	21.8	22.0	20.1	23.3	11.8	15.2
Complete primary schooling	10.5	9.2	10.0	8.6	9.0	7.1	7.9
Some secondary schooling	33.3	32.2	32.8	31.7	30.5	38.9	36.5
Complete secondary schooling	18.5	19.1	19.4	22.1	14.5	25.4	23.4
Higher education	6.8	9.3	8.7	9.7	5.9	12.6	11.2

Statistics South Africa, Census 2001

Table 13: Highest education levels of 20+ yearsr, 2001

	Matzikama	Cederberg	Bergriver	Saldanha Bay	Swartland	DMA
No schooling	10.8	12.0	9.7	5.1	10.0	14.1
Some primary schooling	22.0	24.7	23.3	17.2	23.2	24.2
Completed primary schooling	10.5	12.2	10.7	10.0	10.0	13.3
Some secondary schooling	33.6	30.9	32.0	38.1	30.7	33.4
Grade 12/Std 10	17.1	14.6	18.1	22.0	18.8	10.6
Higher education	6.1	5.6	6.3	7.6	7.4	4.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Statistics South Africa, Census 2001

Health

The West Coast DM has 74 healthcare facilities and the work-load for nurses is high at 40 patients per day for the district (the national target being 34). This figure is dragged up by Saldanha Bay's ratio of 57 patients per nurse per day.

The TB prevalence at 1 214 cases per 100 000 is relatively high, while the cure rate of 73 per cent (national target of 85%) is low.

The proportion of underweight new-born babies (under 2,5 kg) totalled 16 per cent of all births, higher than the national target of less than 10 per cent. Meanwhile, 88 per cent of the children under 1 year had their first measles immunisation (national target of 90%).

Table 14: Health measures

	District	Matzikama	Cederberg	Berg River	Saldanha Bay	Swartland	DMA
Health[1]							
Number of medical facilities	74	12	12	15	12	17	6
Nurse-patient work-load per day	40	34	37	35	57	36	
Percentage of new-born babies under 2,5 kg	16	21	20	24	14	8	
Proportion of under 1-year-olds with 1st measles immunisation	88	82	79	87	86	101	58
TB prevalence rate	1 214	1 708	1 303	969	1 062	1 135	1 148
TB cure rate	73	72	77	75	76	67	77
HIV/aids prevalence 2005	3.2	2.6	3.0	2.6	4.3	3.1	2.7
Number of Aids deaths 2005	425	61	55	56	150	98	5
HIV/aids prevalence 2010	4.3	3.6	4.1	3.6	5.5	3.9	4.5
Number of Aids deaths 2010	807	124	110	114	282	164	13

Department of Health, 2005 and CARE, 2005

HIV infection rates are also on the increase. HIV prevalence is projected to increase from 3,2 per cent in 2005 to 4,3 per cent by 2010 (ASSA 2003 Model, CARE 2005). Aids-related deaths increased from 200 to 425 between 2001 and 2005 and are projected to reach 807 in 2010. As a proportion of the total number of deaths, it increased from 7,9 per cent to 14,1 per cent between 2001 and 2005, expected to reach a proportion of 21,7 per cent in 2010.

Table 15: Reported crime statistics

Crime	District	Matzikama	Cederberg	Berg River	Saldanha Bay	Swartland	DMA
Number of police stations	26	5	5	5	5	5	1
Total number of cases reported	21 642	3 469	2 793	2 697	6 687	5 881	115
Number of murders 2004/2005	164	25	22	19	45	53	0
Number of rapes 2004/2005	456	94	74	44	95	148	1
Drug-related crimes 2002/2003	1 617	374	259	299	285	378	22
Drug-related crimes 2004/2005	3 480	598	687	954	613	613	15

South African Police Services, 2005

Crime

Even though the total number of reported crimes declined over the period between 2002/3 and 2004/5, the number of drug-related crimes increased sharply from 1 617 to 3 480. During the same period the number of murders dropped, while the number of rape cases remained almost unchanged. Cases of the neglect and ill-treatment of children also increased slightly over this period.

Municipal Sustainability

In this section the political environment in the local government area is discussed. An attempt has been made to determine the sustainability of local government by looking at its revenue generation capacity and debtor and creditor systems.

Political governance

For the district, information is only available for the 2006 local government election. The outcome was a four-seat tie between the African National Congress and Democratic Alliance, followed by the Independent Democrats with two seats.

Revenue-generation capacity

Total municipal revenue for the West Coast District for the 2006/7 financial year is budgeted at R235,8 million, and is projected to grow at an average annual rate of 0,6 per cent in the medium term.

Table 16: Overall municipal revenue,2005/09 –2008/09

Source	Budget	Budget	Medium-term estimate		Growth	
R'000	2005/2006	2006/2007	2007/2008	2008/2009	2005/2006-2006/2007	MTREF
Transfers	**18 385**	**55 057**	**59 342**	**63 246**	**199.5%**	**51.0%**
National transfers	4 247	3 809	1 684		-10.3%	-100.0%
Provincial transfers						
Municipal transfers						
Unclassified	14 138	51 248	57 658	63 246	262.5%	64.8%
Main sources of own revenue	41 205	44 551	46 932	50 315	8.1%	6.9%
All other sources of revenue	150 721	136 230	105 305	100 849	-9.6%	-12.5%
Total	**210 311**	**235 838**	**211 579**	**214 410**	**12.1%**	**0.6%**

Calculated by Provincial Treasury, Fiscal Policy Unit, based on Saldanha Bay: Final Budget 2006 MTREF

Other sources of revenue constitute the largest part of the total (R136,230 million or 57,8 per cent). This is divided between capital and operating revenue, of which 67,19 per cent in 2006/7 is operating revenue.

Capital revenue is from internal advances, but set to decline over the medium term. Total revenue attained from 'all other sources of revenue' is set to decline over the MTREF by an average 12,5 per cent per annum.

Table 17: All other sources of revenue, 2005/09 –2008/09

Source	Budget	Budget	Medium-term estimate		Growth	
R'000	200520/06	2006/2007	2007/2008	2008/2009	2005/2006-2006/2007	MTREF
Internal advances (capital revenue)	*23 377*	*44 701*	*22 356*	*13 650*	*91.2%*	*-16.4%*
All other sources of operating revenue	127 344	91 529	82 949	87 199	-28.1%	-11.9%
All other sources of revenue	**150 721**	**136 230**	**105 305**	**100 849**	**-9.6%**	**-12.5%**

Calculated by Provincial Treasury, Fiscal Policy Unit, based on Saldanha Bay: Final Budget 2006 MTREF

About 96,8 per cent of own revenue is generated from water. The own revenue is expected to grow at an average annual rate of 6,9 per cent over the MTREF.

Table 18: Main sources of own revenue, 2005/09 –2008/09

R'000	Budget 2005/2006	Budget 2006/2007	Medium-term estimate 2007/2008	2008/2009	Growth 2005/2006-2006/2007	MTREF
Property rates	0.7%	0.6%	0.0%	0.0%	0.0%	-100.0%
Electricity	1.8%	1.7%	1.7%	1.7%	4.8%	6.0%
Water	96.9%	96.8%	97.4%	97.4%	7.9%	7.0%
Sanitation	0.0%	0.0%	0.0%	0.0%		
Refuse removal	0.7%	0.9%	0.9%	0.9%	52.2%	20.0%
Other	0.0%	0.0%	0.0%	0.0%		
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**8.1%**	**6.9%**

Calculated by Provincial Treasury, Fiscal Policy Unit, based on Saldanha Bay: Final Budget 2006 MTREF

In order to secure revenue, the district needs to have systems in place to ensure an effective collection for these services. The norm period for debtor collection ratio is 42 days. For 2003/4 the district's ratio was 45,6 days, which improved in 2004/5 to 40,5 days.

Debtor analysis at the end of February 2005/6 showed a total debt amount of R6,8 million, with only 5,3 per cent of debt over 90 days old while the largest proportion, 71,7 per cent, was for debt of 30 days or less.

Conclusion

The West Coast District's economy grew at an annual average of 2,4 per cent between 1995 and 2004, strongly relying on the manufacturing, agriculture, wholesale and finance sectors.

Employment creation prospects were relatively poor as the labour-absorptive sectors – agriculture and manufacturing – grew at a relatively slow pace.

The economy is displaying positive signs with Wholesale & retail trade growing at 5,1 per cent and Community Social & Personal Services growing at 4,1 per cent over the period.

Although unemployment is relatively low compared to other districts and the Western Cape average, it is likely to continue to increase as the labour force grows. Like elsewhere in the province, unemployment is a major challenge, particularly for young people.

Poverty is also prevalent in the West Coast District with 33 per cent of the households earning R800 a month or less, including 6,6 per cent of households without any source of income. The EPWP could be a valuable tool in addressing this by giving poor households access to income.

The socio-economic indicators (education, health and crime) and basic services, in particular refuse removal, energy and sanitation services, suggest the need for urgent attention and greater intervention.

Some of the service backlogs have been budgeted for, but the successful delivery largely depends on the implementation of delivery plans.

The District Municipality needs to harmonise the relationships between municipalities to assist a district-wide development strategy, given the different strengths and challenges within local municipalities.

2

Matzikama Local Municipality

List of towns

Vredendal
Doringbaai
Strandfontein
Vanrhynsdorp
Klawer
Lutzville
Ebenhaeser
Koekenaap
Papendorp
Uitkyk

Real GDPR (2004)	:	R822,5 million
Total population (2006)	:	58 840
Urban /rural	:	60,72% : 39,28%

Total population	(2001)	:	50 088
	(2006)	:	58 840
	(2010)	:	64 995

Number of wards: 7

Households in urban areas 60,7%

District comparisons in parentheses

Population density (Source: Demarcation Board)	4,2 persons per km^2
Population growth rate	
2001 - 2006 (average annual %)	3,27% (2,38%)
2006 - 2010 (average annual %)	2,52% (1,95%)

CARE, 2005

Socio-economic indicators

Growth rate 2003/2004	3,8% (4,3%)
Unemployment rate 2001	15,8% (13,8%)
Number of unemployed 2001	3 511 (17 175)
Proportion of households with no income	5,6% (6,6%)
Number of households with no income	814 (5 141)

Statistics South Africa, Census 2001

Health			
Number of medical facilities	12 (74)	Nurse/patient ratio (National target: 34)	34 (40)
Percentage of new-born babies under 2,5 kg (National target: <10%)	21 (16)	Proportion under 1 with 1st measles immunisation (National target: 90%)	82 % (88%)
TB prevalence per 100 000 people	1 708 (1 214)	TB cure rate % (National target: 85%)	72 (73)
HIV/aids prevalence rate (2005)	2,6% (3,2%)	HIV/aids prevalence rate (2010)	3,6% (4,3%)
Number of HIV/aids deaths (2005)	61 (425)	Number of HIV/aids deaths (2010)	124 (807)
Education			
Number of schools (primary and high)	26 (133)	Learner/educator ratio	36 (37)
Percentage of illiterate people over 14 (less than grade 7)	31 (29)		
Crime (reported)			
Number of police stations (2004/2005)	5 (26)	Total number of cases reported (2004/2005)	3 469 (21 642)
Number of murders (2004/2005)	25 (164)	Number of rapes (2004/2005)	94 (456)
Drug-related crimes 2002/2003	374 (1 617)	Drug-related crimes 2004/2005	598 (3 480)

SAPS, 2005, Department of Health, 2005, WCED, 2005

Strengths and challenges

Strengths	Challenges
Decline in total number of crimes.	Growing unemployment.
Manageable health and education workloads	Rapid growth in drug-related crimes.
	High proportion of illiterate population
	Very high TB incidence

Introduction

Matzikama is situated to the north within the West Coast District, with the Atlantic Ocean to the west, the Northern Cape to the east and other West Coast municipal areas to the north (District Management Area) and south (Cederberg). Matzikama is a category B municipality[1] within the West Coast District and part of the Project Consolidate initiative.

Matzikama is characterised by an arid environment, served by a life-giving arterial namely the Olifants River. The river, with its associated canal systems, supports a flourishing agricultural sector that is mainly built on viniculture (the cultivation of grapes for wine production). The population of Matzikama is concentrated along the river with only the villages of Vanrhynsdorp, Doringbaai and Strandfontein linked to it. The latter two are coastal towns, with Doringbaai largely dependent on fishing (lobster) and Strandfontein a holiday destination (Matzikama IDP).

Vredendal, by far the largest town in the area, is centrally located and also serves as the administrative centre for the municipal area. Vanrhynsdorp, Klawer and Lutzville are secondary towns with established business districts. Smaller villages include Ebenhaeser, Koekenaap and Papendorp.

Matzikama's population projection for 2006 was 58 840, which represents 18,3 per cent of the district's population. Between 2001 and 2006 the population growth in Matzikama was the fastest in the district at an annual average of 3,27 per cent.

The economy is spread over a variety of sectors. The economic activity is driven primarily by the Agriculture, Forestry & Fishing (27%) and Wholesale & Retail Trade; Catering & Accommodation (26,1%) sectors. Matzikama's economic contribution to the district's GDPR in 2004 was 14,6 per cent, or R822,5 million of the district's R5,63 billion.

The average annual growth between 1995 and 2004 was at a low 1,3 per cent. It is disconcerting that during this time the Agriculture, Forestry & Fishing sector, which accounted for more than 40 per cent of employment, only grew at an annual average of 0,3 per cent, and is worsening in more recent years. The period between 2000 and 2004 recorded a negative growth rate of 0,6 per cent for this sector.

[1] A category B municipality is defined as a municipality that shares executive and legislative authority with a category C municipality (here the West Coast District Municipality) in that area.

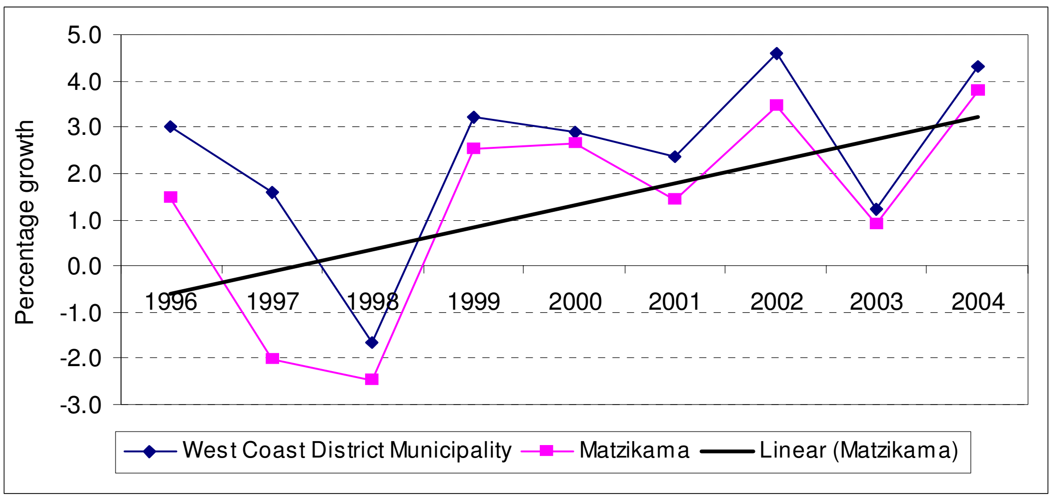
Economic outlook

In an assessment of local economic performance, it appeared that Matzikama's GDPR reached R822,5 million, measured at constant 2000 prices, and contributed 14,6 per cent of the total GDPR of the West Coast district economy in 2004, making it the third largest contributor after the Saldanha Bay and Swartland municipalities.

The region registered growth of 1,3 per cent per year over the 10-year period between 1995 and 2004, almost half the district average of 2,4%.

The linear growth trend over this period for Matzikama local municipality was positive (Figure 1). Growth over the period has been volatile, dipping to negative growth levels in 1997 and 1998.

Figure 1: GDPR growth trends: Matzikama Municipality and West Coast District, 1996 – 2004



Own calculations, Quantec Research 2006

When measured over the more recent five-year period from 2000 to 2004, the average annual growth increased to 2,4 per cent, reflecting an improvement in the municipality's economic growth performance in line with the overall upward growth trend.

Growth potential

The Western Cape Growth Potential of Towns Study (2004) reveals that the towns in Matzikama area have a mix of low and high development potential. Of the eight Matzikama areas in the study, only Vredendal and Strandfontein had high development potential.

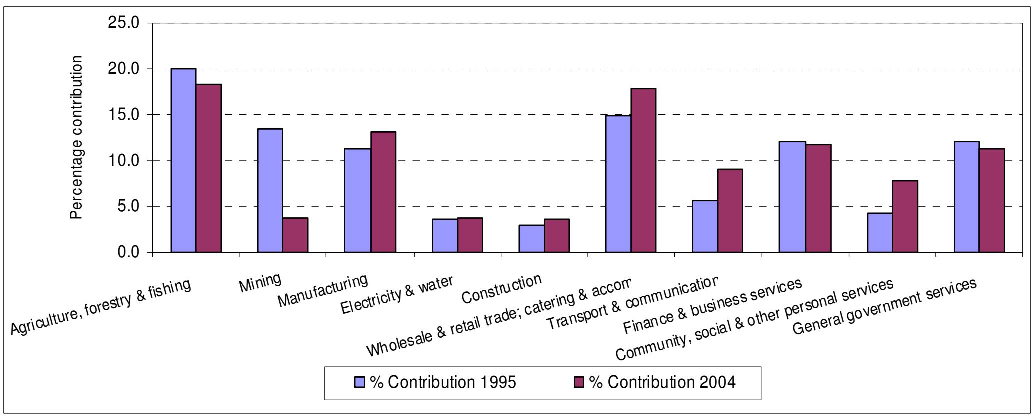
The other areas in the study were Doringbaai, Koekenaap, Ebenhaeser, Klawer, Lutzville and Vanrhynsdorp. Doringbaai and Koekenaap had a high human needs factor with Koekenaap having the greatest human needs factor in the Western Cape. People in the area were mainly employed in mining and agriculture.

Sectoral trends and contribution to GDPR

Matzikama local municipality's economic activity is spread across a number of sectors led by Agriculture, Forestry & Fishing (18,3%), Wholesale & Retail Trade; Catering & Accommodation (17,7%), and Manufacturing (13,1%), followed by Finance & Business Services (11,7%) and General Government Services (11,2%). Together, these sectors contributed about 72 per cent of Matzikama's economic output in 2004.

Between 1995 and 2004, the largest proportional increases were in the Community, Social & Personal Services (3,7%), Transport & Communication (3,3%) and Wholesale & Retail; Catering & Accommodation sectors (2,9%). The sectors showing the greatest proportional losses over this period were Mining (9,6%) and Agriculture, Forestry & Fishing (1,7%).

Figure 2: Matzikama Municipality - Sectoral contribution to the GDPR, 1995 and 2004



Own calculations, Quantec Research 2006

The fastest growing sectors in Matzikama were the Community, Social & Personal Services sector (8,6%) and the Transport & Communication sector (6,6%) over the ten-year period 1995 to 2004 (Table 1). These were followed by Wholesale & Retail Trade; Catering & Accommodation (3,3%), Construction (3,2%) and Manufacturing (3%).

Table 1: Matzikama: Contribution to GDP per sector, 1995-2004

Industry	GDPR 2004 R million	Contribution per sector 2004 (Percentage)	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)	Growth 2003 – 2004 (Percentage)
Agriculture, forestry & fishing	150.5	18.3	0.3	-0.6	-0.4
Mining	31.1	3.8	-12.0	-3.0	1.4
Manufacturing	107.9	13.1	3.0	3.4	9.1
Electricity & water	31.0	3.8	2.1	2.7	5.1
Construction	29.2	3.6	3.2	4.3	4.4
Wholesale & retail trade; catering & accommodation	146.0	17.7	3.3	3.2	6.9
Transport & communication	74.2	9.0	6.6	5.3	5.2
Finance & business services	95.9	11.7	1.0	2.0	0.2
Community, social & other personal services	64.7	7.9	8.6	7.1	5.5
General government services	92.0	11.2	0.4	1.9	1.7
Total	**822.5**	**100.0**	**1.3**	**2.4**	**3.8**

Own calculations, Quantec data 2006

Matzikama registered an average annual growth of 1,3 per cent in GDPR between 1995 and 2004. Community, Social & Other Personal Services (8,6%), Transport & Communication (6,6%), Wholesale & Retail Trade; Catering & Accommodation (3,3%), Construction (3,2%) and Manufacturing (3%) all recorded relatively high growth rates.

Agriculture, Forestry & Fishing, the largest sector in the area in 2004, recorded growth of only 0,3 per cent for this period. In recent years growth has improved, with an average annual growth of 2,4 per cent between 2000 and 2004 and 3,8 per cent being recorded in 2004.

Agriculture, forestry & fishing

The agriculture, forestry and fishing sector is the largest in Matzikama. Its total contribution to Matzikama's GDPR in 2004 was R150,5 million or 18,3 per cent. Intensive farming activities, such as vineyards and tomatoes, are concentrated along the Olifants River.

On average, growth in the agricultural sector has been underperforming with a growth rate of only 0,3 per cent per annum between 1995 and 2004. The average growth rate was negative at -0,6 per cent between 2000 and 2004, indicating a decline in economic activity.

Wholesale & retail trade; catering & accommodation

In 2004 this sector was the second largest contributor to economic growth. Its contribution to the GDPR was 17,7 per cent or R146 million. Its average annual growth was 3,3 per cent over a 9-year period ending in 2004. Growth between 2000 and 2004 was relatively unchanged at 3,2 per cent, although growth picked up on a year-on-year basis at 4,3 percent for 2003 and 6,9 per cent for 2004.

Manufacturing

The manufacturing sector's contribution in 2004 was the third largest within Matzikama's economy. It contributed 13,1 per cent or R107,9 million in that year. The High Tress[2] index of 77 reflects a concentrated manufacturing sector dominated by the food, beverages and tobacco subsector. This sub-sector accounted for 67,1 per cent to the total manufacturing of the sector for 2004. The concentration in the subsector is closely linked to the strong agricultural activities within the region.

The next largest contributing sub-sectors were Metals with 7,8 per cent and Transport Equipment with 7,6 per.

Table 2: Manufacturing subsectors 2004

Manufacturing subsectors 2004	Rand million	Percentage	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)
Food, beverages and tobacco	72	67.1	3.9	3.7
Textiles, clothing and leather goods	1	0.7	-3.0	-4.8
Wood and paper, publishing and printing	4	3.3	-1.6	-1.5
Petroleum products, chemicals, rubber and plastic	5	4.8	-1.1	1.9
Other non-metal mineral products	4	3.4	-2.5	-5.5
Metals, metal products, machinery and equipment	8	7.8	4.2	2.7
Electrical machinery and apparatus	0	0.0	0.0	0.0
Radio, TV, instruments, watches and clocks	1	0.7	1.4	-0.2
Transport equipment	8	7.6	4.7	4.8
Furniture and other manufacturing	5	4.6	1.9	1.8
Total	**108**	**100.0**	**3.0**	**3.4**

Own calculations, Quantec 2006

Growth in the manufacturing sector as a whole was relatively strong between 1995 and 2004 with 3 per cent average annual growth. The average annual performance between 2000 and 2004 also remained above the 3 per cent mark. Year-on-year growth in this sector has been fairly erratic, recording growth rates of 9,1 per cent in 2004 and -4,6 per cent in 2003.

[2] The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 reflecting complete diversification and 100 reflecting total concentration (i.e. one industry or monopoly). This is applied here to test diversification within the manufacturing sector.

Transport & communication

The Transport & Communication sector is essential as it facilitates access to opportunities for people in the area. This sector contributed 9 per cent or R74,2 million to the total GDPR in 2004. Between 1995 and 2004 the sector grew strongly at an average annual rate of 6,6 per cent, slowing down between 2000 and 2004 to 5,3 per cent. It is dominated by the Communication sub-sector that contributed 59 per cent of the sector total in 2004, with Transport contributing 41 per cent.

Non-performing sectors

The Mining sector recorded average annual declines of 12 per cent between 1995 and 2004. In proportion to the total GDPR, Mining contributed 3,8 per cent in 2004, however it still had a meaningful contribution to total employment in 2001, employing 906 people out of a total of 3 511 people employed.

Contrary to the impressive performance seen in the Finance and Business services sector in other municipalities, it performed poorly in Matzikama, growing at an annual average rate of only 1 per cent between 1995 and 2004. In 2004, this sector's contribution to the GDPR was significant at 11,7 per cent. Elsewhere in the Western Cape it is one of the key sectors.

Demographics and Labour Force

In 2006 the Matzikama municipality population comprised 18 per cent of the West Coast District's population, the third largest in the district. Between 2001 and 2006 the population increased from 50 088 to 58 840, at an annual average growth rate of 3,3 per cent. Population growth is expected to slow down to an average annual rate of 2,5 per cent between 2006 and 2010.

The municipality's population is predominantly Coloured (74,0%), while the White population comprises 19 per cent and the African population 7 per cent of the total in 2006. In 2001 Matzikama municipality had 14 090 households under its jurisdiction, of which 39,3 per cent were rural. Its proportion of rural households was higher than that of the West Coast District's 30,1 per cent.

Table 3: Rural and urban households, 2001

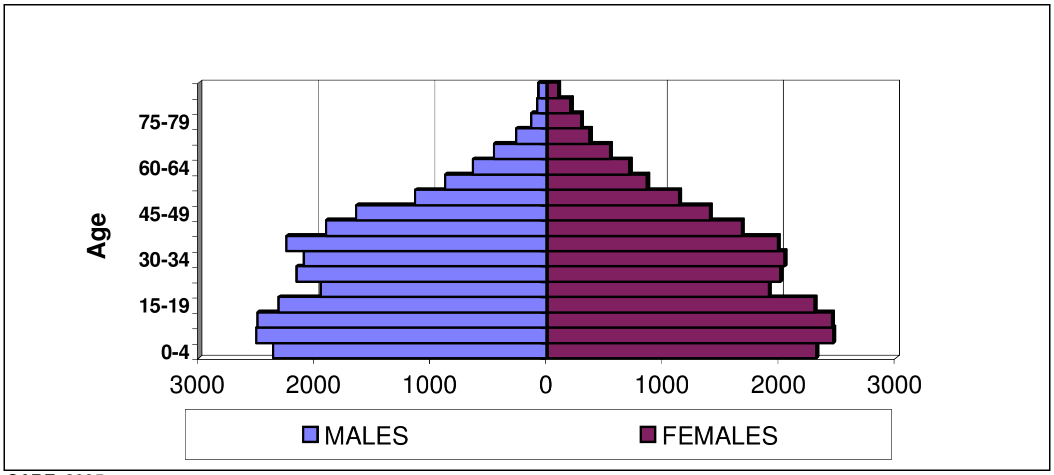
	Total number of households	Number of rural households	Rural households (Percentage)	Rural households (Percentage of district)	Number of urban households	Urban households (Percentage)	Urban households (Percentage of district)
West Coast District	73 444	22 115	30.1	20.5	51 329	69.89	4.8
Matzikama	14 090	5 535	39.3	25.0	8 555	60.72	16.7

Demarcation Board (Census 2001 data)

The population pyramid of the Matzikama population in 2006 has a broad base, which indicates a large young population with a median age of 28. The 20 to 24-year age group is much smaller, with larger population numbers between 25 and 35 years. The dependency ratio[3] in 2006 is 0,50, down from 0,52 in 2001, and is projected to decline even further to 0,49 later in 2006.

[3]The dependency ratio is calculated as the number of 0-14-year-olds plus the number of 65-year-olds and older, divided by the number of people in the 15-64-year-old age group. This is to give a rough indication of dependency, but should be noted that it is not linked to the labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

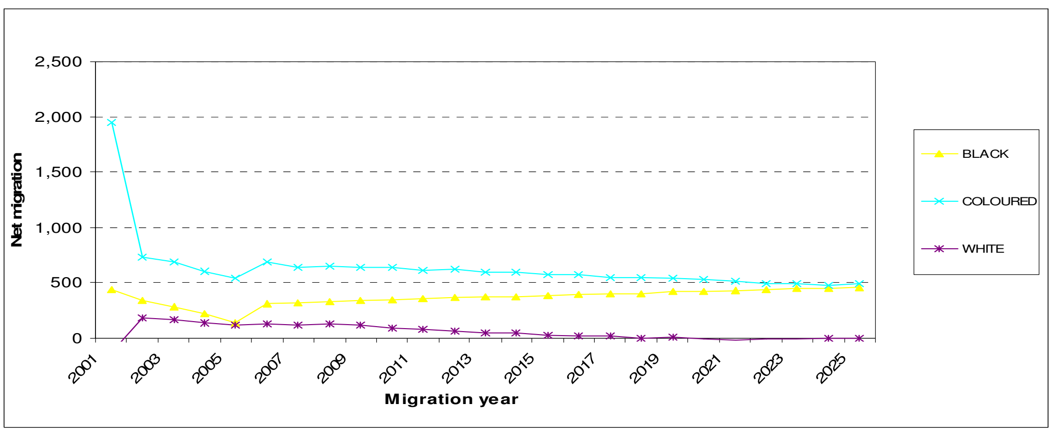
Figure 3: Matzikama population pyramid, 2006



CARE, 2005

In 2001 migration was projected to have declined steadily from 2 262 to 800 in 2005. It has however increaed again to 1 129 in 2006, but is projected to remain steady around the 1 000 mark up to 2015.

Figure 4: Projected net migration – Matzikama, 2001 - 2025



CARE, 2005

Most of the in-migration into Matzikama is projected to be of people in the Coloured population group. After a high of 1 947 people seen in 2001, the trend dropped sharply to 735 in 2002 followed by a more gradual general decline over the projected period.

Coloured in-migration in 2006 is projected to be 688. African in-migration (second largest) declines between 2001 (444 in-migrants) and 2005 (140 in-migrants) and then it is projected to increase again gradually over the rest of the projection period up to 2025 (454). In-migration by Whites is low, and some are even leaving or are predicted to leave the area.

Employment trends[4]

Matzikama Municipality's working-age population[5] (people between the ages of 15 and 64) is estimated at 39 305, or 66,8 per cent of its total population in 2006. This is expected to grow at a rate of 2,6 per cent per year over the next four years, reaching 43 587 in 2010.

Table 4: Matzikama labour market information, 1996 and 2001

	Employed	Employed (Percentage)	Unemployed	Unemployed (Percentage)	Labour force	Labour force participation rate (Percentage)	Not economically active	Total population 15-65 years
1996	14 940	89.3	1 787	10.7	16 727	68.7	7 620	24 347
2001	18 705	84.2	3 511	15.8	22 216	67.5	10 712	32 927

Statistics South Africa, Census 1996 and 2001

Between 1996 and 2001 labour force participation remained fairly stable at around 68 per cent. During this period the number of people employed increased by 3 765 and unemployed increased by 1 724.

Employment increased from 14 940 people in 1996 to 18 705 in 2001 (at 4,6 cent a year), while the number of the unemployed rose from 1 787 to 3 511 or 14,5 per cent a year over the same period, as the number of work-seekers increased at a significantly faster rate than the local economy's ability to create jobs.

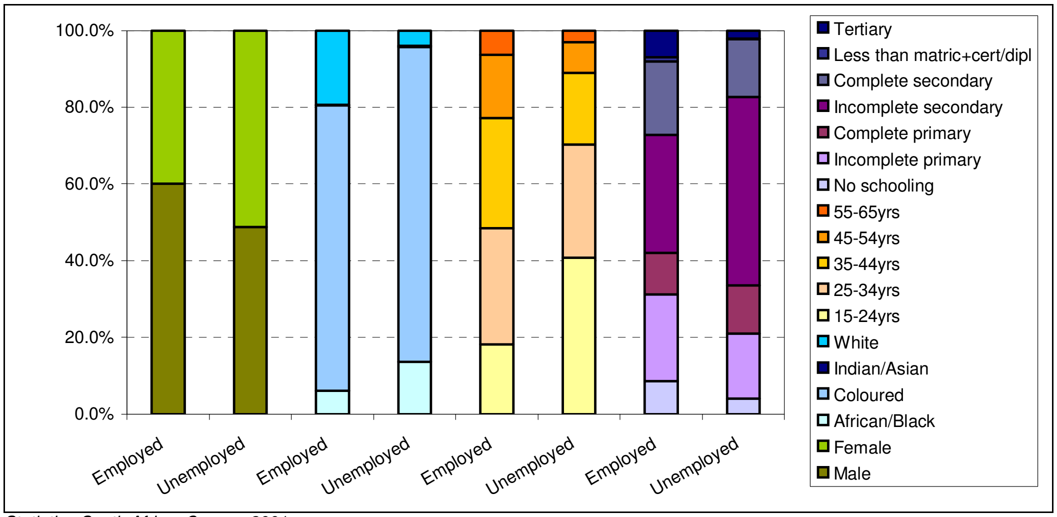
Although there was an increase in the number of the employed, the unemployment rate grew faster from 10,7 per cent to 15,8 per cent during this period.

The proportions of employed and unemployed for 2001 by gender, population group, age and education are summarised in Figure 5.

[4] Labour market information for the local municipalities is only available from census information; discussion is limited by the lack of current data.

[5] ASSA 2003 Model projections, Centre for Actuarial Research 2005

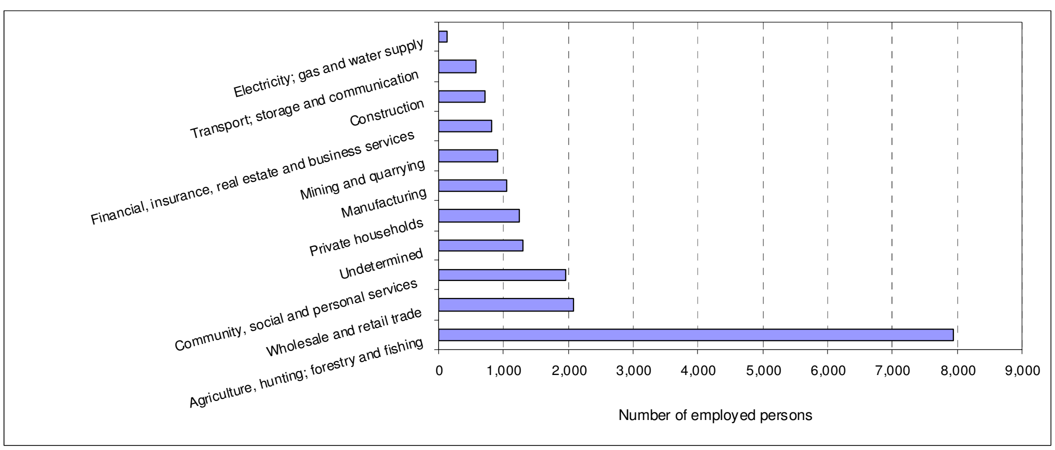
Figure 5: Characteristics of Matzikama's employed and unemployed, 2001



Statistics South Africa, Census 2001

In Matzikama females, Africans, young people and those with lower levels of formal education — especially those with incomplete secondary education — are highly affected by unemployment. Youth unemployment is particularly high, with 70 per cent of the unemployed being between the ages of 15 and 34.

Figure 6: Matzikama employment figures by sector, 2001



Statistics South Africa, Census 2001

In 2001 the greatest job-creating sector by far was Agriculture, Hunting, Forestry and Fishing, creating 42,5 per cent of all jobs in the municipality. However, the figure masks the seasonal nature of job creation in the sector.

The Wholesale and Retail Trade and Community, Social and Personal Services sectors followed with roughly 10 per cent each. Together these three sectors accounted for 64 per cent of total employment.

Access to services and household well-being

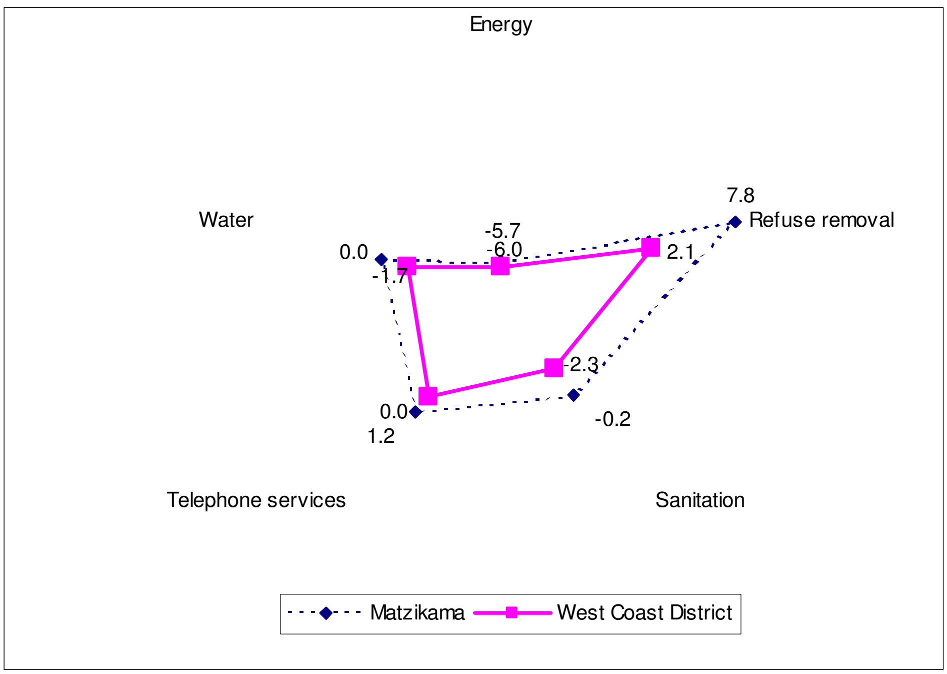
Shared or broad-based growth requires that poor people gain access to tangible assets, such as land, housing, water, energy, sanitation, transport and credit, or to intangible assets such as education, health and personal safety.

Indicators that measure access to basic services (energy, water, refuse removal, telephone services, sanitation), access to social services (education, health care and policing), access to income-generating activities and where available, attendant socio-economic well-being (educational attainment, health status, crime levels, income distribution and poverty levels) depict the quality of life that the average citizen enjoys.

Basic service provision[6]

Access to basic services greatly affects the standard of living and quality of life of people living in the area. The figure below compares Matzikama to the West Coast District on five measures of basic services, namely energy, water, refuse removal, telephone services and sanitation. It comprises only households with access to less than basic services. The negative sign in numbers indicate an improvement in access to the respective services.

Figure 7: Percentage change in households with below basic access to services – Matzikama versus West Coast, 1996 and 2001



Statistics South Africa, Census 2001 – Community profile database, DBSA

[6] Less than basic access to services defined as: Energy - gas, paraffin, candles and other; Refuse removal - own refuse dump, or no rubbish disposal; Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, or other; Telephone services -telephone at another location not nearby or no access to a telephone; Sanitation - bucket latrine, or none.

Matzikama outperformed the district in all areas except energy. However, refuse removal compared unfavourably, showing a net increase of 2 427 households with below basic access to this service between 1996 and 2001.

Energy, sanitation, telephone services and water also all recorded increases in the number of households with below basic access, even though in most cases the proportion decreased or remained unchanged. Matzikama's IDP recognises that sanitation has presented a particular challenge to the area. In 2001 about 13 per cent of the households had no provision for sanitation facilities.

Matzikama is also one of the areas in the Western Cape that the Provincial Government has targeted for the eradication of the bucket system. For 2006/2007 a total of R2,7 million has been budgeted for this purpose. Ebenhaeser and Vanrhynsdorp are set to benefit from the bucket eradication policy.

Table 5: Changes in access to basic services between 1996 and 2001 – Matzikama

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Matzikama	% Change 1996-2001	-5.7	7.8	-0.2	1.2	0
	Number of households (Change 1996-2001)	169	2 427	731	580	149
	Number of households with below basic access to services 2001	2 363	5 309	2 400	1 468	476

Statistics South Africa, Census2001 – Community profile database, DBSA

Housing[7]

Housing is an important area of service delivery in the Western Cape. According to Census 2001, Matzikama Municipality had close to 14 465 housing units, of which approximately 90 per cent were brick structures. Informal housing comprised only 10 per cent of all housing units.

In 2001 the housing backlog for Matzikama was 1 366, but declined to 700 in 2004. Between 1994 and 2004, 2 062 units were built. During the LGMTEC 3 visits the municipality indicated that the current estimated backlogs range between 2 600 and 4 000 units, and that Vanrhynsdorp and Vredendal were targeted for the construction of 1 500 units.

Access to education and educational attainment levels

Berg River Municipality has 26 secondary and primary schools, representing 19,5 per cent of all schools in the West Coast district, and on average has a learner/educator ratio of 36, compared to a ratio of 37 for the district.

[7] Department of Housing, 2004

Table 6: Education statistics

	Matzikama Municipality	West Coast District
Number of schools (primary and high)	26	133
Percentage of illiterate people over 14 (less than grade 7)	31	29
Educator/learner ratio	36	37

Western Cape Education Department, 2006

About 31 per cent of the population over 14 years of age had less than 7 years formal education. When comparing Matzikama to the West Coast district, Matzikama had a slightly smaller proportion of people with higher education levels. About 23,2 per cent of the people had attained a minimum of Grade 12 compared to the district's 25,2 per cent.

When correlating education and skills, the poor education attainment levels can also be observed in the proportion of persons in low-skill occupations.

Table 7: Highest education level grouped for 20+ ages, 2001

	Matzikama	Percentage	District	Percentage
No schooling	3 320	10.8	16 177	9.2
Some primary schooling	6 764	22.0	38 167	21.7
Completed primary schooling	3 222	10.5	18 511	10.5
Some secondary schooling	10 332	33.6	58 561	33.3
Grade 12/Std 12	5 256	17.1	32 440	18.5
Higher	1 884	6.1	11 855	6.7

Statistics South Africa, Census 2001

Access to health services and health status

Health indicators revealed that 82 per cent of the children under one year had had a first measles immunisation. TB prevalence was the highest in the district with 1 708 per every 100 000 of the population and the cure rate was low at 72 per cent. Compared to the district, Matzikama performed poorly on education and health measures.

HIV prevalence is projected to increase from 1,5 per cent to 2,6 per cent in 2005 and 3,6 per cent by 2010 (ASSA 2003 Model, CARE 2005). Meanwhile, Aids-related deaths are projected to increase from 26 in 2001 to 61 in 2005 and 124 in 2010. As a proportion of the total number of deaths, it increased from 5,7 per cent in 2001, to 10,9 per cent in 2005, and projected to increase to 17,7 per cent in 2010.

The low patient/nurse ratio (34), in the presence of unfavourable health indicators, is an indication of underutilisation of available health care facilities. The underutilisation can be attributed to inaccessibility to health facilities in rural areas, or non-compliance with treatment in the case of those able to access the facilities.

Table 8: Health measures

	Matzikama Municipality	West Coast District	National Health Targets
Number of medical facilities	12	74	
Nurse/patient workload per day	34	40	34
Percentage of new-born babies under 2,5 kg	21%	16%	Less than 10%
Proportion of under 1-year-olds with 1st measles immunisation	82%	88%	90%
TB prevalence rate per every 100 000 people	1 708	1 214	
TB cure rate	72%	73%	85%
HIV/aids prevalence 2005	2.6	3.2	
Number of Aids deaths 2005	61	425	
HIV/aids prevalence 2010	3.6	4.3	
Number of Aids deaths 2010	124	807	

Department of Health, 2005; CARE 2005

Access to policing services and the crime status

Matzikama's police stations serve a population of 54 568 people (2006).

Crime statistics indicate a decrease in the number of murder cases between 2002/2003 and 2004/2005. Crime figures for the neglect and ill-treatment of children were relatively stable over the three years. Drug-related crime increased steadily, from 374 cases in 2002/2003 to 598 in 2004/2005. This is likely to be related to the use of 'tik', especially among young people.

Table 9: Reported crime statistics

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	33	38	25
Rape	101	81	94
Neglect and ill-treatment of children	14	17	14
Drug-related crime	374	485	598
Total number of reported crimes	4 351	4 003	3 469

SAPS, 2005

Indicators of well-being: Human Development Index (HDI), City Development Index (CDI), Provincial Index of Multiple Deprivation (PIMD)

The Human Development Index (HDI) is a composite measure that provides information on the human development performance of a region. It is an average of health, education, income and infrastructure indicators.

Table 10: Human and City Development Indices and component scores

	Matzikama Municipality	Western Cape Province
HDI	**0.71**	**0.72**
Health	0.68	0.63
Income	0.77	0.84
Education	0.69	0.68
CDI	**0.71**	**0.81**
Infrastructure	0.70	0.79
Waste	0.61	0.89
Health	0.70	0.68
Education	0.75	0.86
Income	0.77	0.82

Department of the Premier, 2005

The HDI and CDI for Matzikama are similar to those of other local municipalities within the district. When comparing the HDI and CDI of Matzikama to the province, we find that it is the CDI that demonstrates significant difference. The 10 point difference, 0.81 for the Western Cape compared to 0.71 of the municipality, can mainly be attributed to the poor performance in infrastructure (0.70) and waste (0.61) development compared to the Western Cape. These figures highlight infrastructure and waste as development priorities for the municipality. Improvement in the CDI will make the municipality more attractive for investments flows to its cities.

Table 11: Percentage of wards that fall within each quartile of wards in the Western Cape on the various Deprivation Domains (2001 – Matzikama)

Domain	Percentage of wards in least deprived 25%	Percentage of wards in least deprived 25-50%	Percentage of wards in most deprived 25-50%	Percentage of wards in most deprived 25%
Overall PIMD	0	0	57	43
Income	0	29	57	14
Employment	14	43	43	0
Education	0	14	43	43
Health	0	0	0	100
Environment	0	0	57	43

Noble, M., Barnes, H., Noble, S., Ntshongwana, P. and Wright, G. (2006) The Western Cape Provincial Index of Multiple Deprivation 2001, University of Oxford, UK

Based on the Provincial Index of Multiple Deprivation (PIMD), the wards of Matzikama are comparatively more deprived than other wards in the Western Cape. All the wards are within the most deprived wards in the Western Cape. When ranking all 332 Western Cape wards, only one of Matzikama's wards (ranked 48) were in the overall top 50 most deprived wards.

Matzikama also fared poorly on individual ward level on the health deprivation indicator, with three wards, all in the Clanwilliam area, in the top 25 most deprived wards in the province. These three were ranked as the 14th, 16th and 25th most deprived health wards in the province.

Other striking areas of deprivation were in health and the environment where all of Matzikama's wards were in the most deprived 50 per cent. On the whole Matzikama wards performed poorly within the provincial comparison.

Access to income-generating activities and income distribution and poverty levels

There are numerous ways and means to generate income, whether it is formal or informal employment, through a wage income or self-employment, or, for those at the lower end of the income spectrum, through access to the Government's extended public works employment programme or social security grant system.

Formal employment and skills level distribution

In 2001 about 56 per cent of Matzikama's employed people could be classified as low-skilled[8] (when skill is grouped by occupation), with the skilled making up 32 per cent. Low-skill occupations represented 12 per cent of employment.

Table 12: Skills level of the employed, 2001

	District	Matzikama
High skilled	12.3	12.0
Skilled	36.5	32.0
Low skilled	51.2	56.0

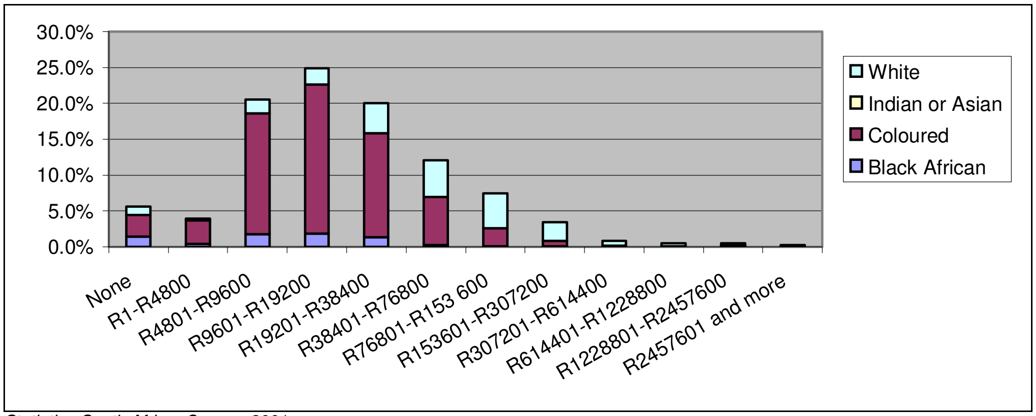
Statistics South Africa, Census 2001

[8] High-skilled - Legislators, senior officials and managers, professionals, technicians and associate professionals; Skilled – Clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, plant and machine operators and assemblers; Low-skilled – Elementary occupations. Unknown occupations were excluded from calculations.

Income distribution and poverty analysis

Households' ability to access the different income-generating activities described above influences their positioning within the municipality's income distribution as well as the municipality's poverty levels.

Figure 8: Income distribution by population group, 2001



Statistics South Africa, Census 2001

Household income is concentrated in the lower middle-income categories, with the bulk of the households sourcing an income of between R4 800 and R76 800 per annum (R400 – R6 400 per month). In proportion to their population size, whites dominate the upper-income categories. Of the total number of households, 5,6 per cent have no income, with an additional 3,96 per cent only being able to attain an annual income of less than R4 800 (less than R400 per month). About 30 per cent of households are headed by females, and 7,1 per cent are headed by persons aged between 15-24 years.

Access to government income support

Social grants[9]

Social grant payments are social welfare payments to individuals on the basis of specific needs and on the basis of having specific characteristics, e.g. one of the old-age grant specifications is the minimum age limit. Social grants supplement income for those vulnerable and in need, and lift households with no income out of abject poverty.

[9] South Africa South Security Agency 2006, ALLPAY annual data for 2005. Only represents payments made at ALLPAY stations.

Table 13: Social grants data, 2005

Matzikama	Average number of recipients (monthly)	Proportion of total number of recipients	Proportion of total number of recipients West Coast District	Average monthly value of grant[10]	Total value of grants paid (monthly in Rands)
Old age	139	24.42	29.3	717.9	99 486
Disability	119	20.88	24.0	801.3	94 954
Foster care	22	3.79	3.6	739.6	15 902
Care dependency grant	4	0.68	1.1	740.0	2 837
Child support	268	47.29	39.8	258.8	69 457
Grant-in-aid	16	2.88	2.1	162.5	2 653
All other grants	0.42	0.07	0.1		
Total grants	568	100.00	100	503.5	285 776

SASSA, 2006

The average number of grants paid monthly during 2005 in Matzikama was 568. The largest proportions of recipients were those who receive child support, and old age and disability grants. The child support by far exceeded other grants, representing almost half of the total number of grants.

Matzikama had the highest proportion of child support grants within the district accounting for 47,3 per cent compared to the district's 39,8 per cent. The proportions of old-age and disability grants were below that of the district average.

[10] The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:
Lump sum for the beneficiary due to the date the grant was put in payment versus the application date
Lump sum for the beneficiary due to previous month's grant being uncollected
Lump sum for the beneficiary due to re-instatement
Yearly beneficiary uptake (new applications)
Yearly pay-point transfers (movement of beneficiaries between pay points)

Municipal stability and sustainability

Municipal stability and sustainability in respect of political environment, revenue generation capacity and internal capacity are critical to ensuring service delivery at the local level in support of the Province's shared growth and integrated development goals.

With regard to the political environment in the local government area, an attempt has also been made to determine the sustainability of local government by looking at its revenue generation capacity and debtor and creditor systems. The internal capacity of the municipality, including personnel, is discussed.

Political governance

Between 2000 and 2006 the number of seats in Matzikama remained unchanged at 13. The 2006 results represent a change from 2000. The Democratic Alliance lost 4 seats to the Independent Democrats in 2006.

Table 14: Municipal election results[11], 2000 and 2006

Political party	Total Seats	
	2006	2000
African Christian Democratic Party	0	0
African National Congress	6	6
Democratic Alliance	3	7
Independent Democrats	4	0
Independents	0	0
United Party of South Africa	0	0
Vryheidsfront Plus	0	0
Total number of seats	**13**	**13**

Own representation based on IEC data

Revenue generation

This subsection portrays an analysis of sources of own revenue, and also Matzikama Municipality's ability to generate sufficient own revenue to finance the delivery of basic services, and in particular to ensure appropriate investment in and maintenance and operation of the key basic economic infrastructure detailed above.

Total municipal revenue for Matzikama Municipality for the 2006/2007 financial year is budgeted at R122,7 million. Own revenue constitutes the largest part of the total (R52,9 million or 43 per cent). The Medium-term Revenue and Expenditure Framework (MTREF) revenue growth projection is at an average annual rate of 2,6 per cent.

[11] Results from the Independent Electoral Commission

Table 15: Overall municipal revenue

Source	Budget	Budget	Medium-term estimate		Growth	
R'000	2005/2006	2006/2007	2007/2008	2008/2009	2005/2006-2006/2007	MTREF
Transfers	**26 974**	**31 912**	**21 768**	**23 631**	**18.3%**	**-4.3%**
National transfers	20 654	21 022	20 047	21 708	1.8%	1.7%
Provincial transfers	3 772	10 190	1 721	1 923	170.1%	-20.1%
Municipal transfers	2 548	500			-80.4%	-100.0%
Unclassified		200				
Main sources of own revenue	49 651	52 911	56 087	59 171	6.6%	6.0%
All other sources of revenue	36 276	37 892	36 885	39 273	4.5%	2.7%
Total	**112 901**	**122 715**	**114 740**	**122 075**	**8.7%**	**2.6%**

Calculated by Provincial Treasury, Fiscal Policy Unit based on Saldanha Bay: Final Budget 2006 MTREF

Own revenue in turn is derived mainly from electricity (45,4%) and property rates (21,8%) for the 2006/2007 financial year. Other sources of income are water (14,2%), sanitation (11,9%) and refuse removal (6,7%).

Table 16: Main sources of own revenue

R'000	Budget 2005/2006	Budget 2006/2007	Medium-term estimate 2007/2008	2008/2009	Growth 2005/2006-2006/2007	MTREF
Property rates	20.3%	21.8%	21.8%	21.8%	14.1%	8.5%
Electricity	44.2%	45.4%	45.4%	45.4%	9.5%	7.0%
Water	14.7%	14.2%	14.2%	14.2%	2.9%	4.8%
Sanitation	13.5%	11.9%	11.9%	11.9%	-5.9%	1.7%
Refuse removal	7.3%	6.7%	6.7%	6.7%	-1.6%	3.2%
Other	0.0%	0.0%	0.0%	0.0%		
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**6.6%**	**6.0%**

Calculated by Provincial Treasury, Fiscal Policy Unit based on Saldanha Bay: Final Budget 2006 MTREF

Total own revenue growth over the MTREF is expected to be at an average annual rate of 6 per cent, driven by growth from property rates and electricity.

In order to secure this revenue, the municipality needs to have systems in place to ensure collection for these services. The municipality has exceeded the norm for collection time, although it is doing better than other municipalities in the district.

The norm period for debt collection is 42 days. For the 2003/2004 financial year Matzikama's ratio was 68 days and this worsened to 73 in 2004/2005. This reflects the need to strengthen debtor management to enhance the municipality's cash flow position.

Internal capacity

Internal capacity determines the municipality's ability to conduct its day-to-day business and the ability to deliver basic services. Internal capacity, especially in the finance department, is a key variable to any organisation's financial sustainability. During the LGMTEC 3 visits the municipality noted that on an establishment of 280, a total of 15 key positions were not filled.

As part of the Project Consolidate initiative, Matzikama municipality receives internal management support.

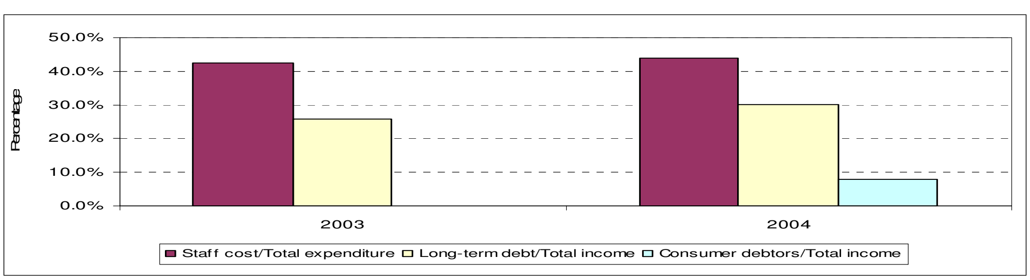
Financial ratios

The following is a review of Matzikama Municipality's financial ratios, focusing on long-term debt to total income, staff costs to total expenditure and consumer debtors to total income.

Ratios in Matzikama are only available for 2003 and 2004. While staff costs as a proportion of total expenditure increased only slightly between these two years to 43,9 per cent in 2004, long-term debt as a proportion of total income increased by 4,4 per cent.

More focus attention needs to be given to the management of the financial ratios in order to ensure that these do not unsustainably trend upward.

Figure 9: Financial ratios



INCA, 2005

Staff costs, long-term debt and consumer debt all impact on the service delivery ability of the municipality through the availability of resources.

Conclusion

In view of the relatively slow economic growth (1,3%) in 9 years, and some recovery to 3,8 per cent in 2004, Matzikama needs to take a long-term developmental perspective to stimulate its regional economy to sustainable levels, given the increasing unemployment rate.

Between 1996 and 2001 unemployment increased to about 16 per cent. The most significant sector contributor to employment, agriculture, hunting, forestry & fishing, grew at a very slow pace - negatively if only considering the period 2000 – 2004. The sector contributed 18,3 per cent to Matzikama's economic activity.

In addition to unemployment, Matzikama is characterised by low household income and inadequate access to basic services, which translates into a low quality of life for households. Sanitation is also a problem.

Matzikama had unfavourable health indicators. TB infection rates are also the highest in the district. The situation might strain health care resources if left unattended.

The government's drive to eradicate the bucket system around the country will benefit Matzikama. Delivery in education and health services, where indicators show deficiencies and are below national health targets, despite manageable workloads, needs to be addressed.

An integrated approach (involving provincial and local government) to service delivery will be of great value in Matzikama, given its hard-pressing social needs.

3

Cederberg Local Municipality

Major areas

Clanwilliam
Citrusdal
Lamberts Bay
Graafwater
Elands Bay
Wupperthal
Leipoldville

Real GDPR (2004)	:	R558,4 million
Total population (2006)	:	45 301
Urban /rural	:	8,8% : 51,2%

Introduction

The Cederberg Municipality is situated in the West Coast district, between Matzikama (north), Bergriver (south), the Atlantic Ocean (west) and the Northern Cape Province(east).

Cederberg is a category B municipality[1] falling within the West Coast District Municipality (category C municipality) and is part of the Project Consolidate[2] initiative.

Cederberg Municipality borders the Cape Winelands district (south) in the south, Bergriver Local Municipality (west) and the Northern Cape Province (east). It includes the communities of Clanwilliam, Citrusdal, Lamberts Bay, Graafwater, Elands Bay and Wupperthal.

The municipal area has many attractions which include the rock art of the ancient San (Bushmen), Meintjies River Nature Reserve, bird-watching activities, historical buildings, Cape fynbos and wildflowers in the flower season, water sports and 4x4 routes.

It is also famous for its 'veldskoene' (field shoes). Buchu, a medicinal herb, grows in the mountains in the area, while rooibos is also planted and cultivated here.

Cederberg contributed 9,9 per cent to the district GDPR, in 2004. The Cederberg economy is mainly driven by Agriculture, Forestry & Fishing (27,7%) and Wholesale & Retail trade; Catering & Accommodation (23,0%) followed by Manufacturing (12,4%) and Financial & Business services (11,6%) sectors.

Cederberg has one of the smaller populations in the West Coast District-14,0 per cent of the district's population in 2006. However, the population is expected to grow at an average rate of 2,3 per cent a year between 2006 and 2010.Its share of the district population remained around the 14,0 per cent mark. In-migration of between 800 to 1 100 people a year is expected to contribute to the population growth.

[1]A category B municipality is defined as a municipality that shares executive and legislative authority with a category C municipality in that area.

[2] The municipality has been designated as a Project Consolidate municipality, thereby implying that the region needs to improve in several areas such as financial management, service provision, etc.

Cederberg Municipality: Social trends and indicators

Total population	**(2001)**	**: 39 563**
	(2006)	**: 45 301**
	(2010)	**: 49 680**

Number of wards : 6
Urban/rural split : 8,8% : 51.2%
Population density : 5,7 persons per km^2

Population growth rate	
2001 - 2006 (average annual %)	2.75% (2.38%)*
2006 - 2010 (average annual %)	2.33% (1.95%)

Source: Demarcation Board, CARE 2005

Socio-economic indicators

GDPR (2004)	4.5% (4.3%)
Unemployment rate 2001	10.2 % (13.8%)
Number of unemployed 2001	1 759 (17 175)
Proportion of households with no income	7.0 % (6.6%)
Number of households with no income	784 (5 141)

Statistics South Africa, Census 2001

Health			
Number of medical facilities	12 (74)	Nurse/patient ratio *(National target: 34)*	37 (40)
Percentage of new-born babies under 2.5 kg *(National target: < 10%)*	20 (16)	Proportion under 1 with 1st measles immunisation *(National target: 90%)*	79 (88)
TB prevalence per 100 000 people	1 303 (1 214)	TB cure rate % *(National target: 85%)*	77 (73)
HIV/aids prevalence rate (2005)	3.0 % (3.2%)	HIV/aids prevalence rate (2010)	4.1 % (4.3%)
Number of HIV/aids deaths (2005)	55 (425)	Number of HIV/aids deaths (2010)	110 (807)
Education			
Number of schools (primary and high)	24 (133)	Educator/learner ratio	36 (37)
Percentage of illiterate people over 14 (less than grade 7)	34 (29)		
Crime (reported)			
Number of police stations (2004/2005)	5 (26)	Total number of cases reported (2004/2005)	2 793 (21 642)
Number of murders (2004/2005)	22 (164)	Number of rapes (2004/2005)	74 (456)
Drug-related crimes 2002/2003	259 (1 617)	Drug-related crimes 2004/2005	687 (3 480)

SAPS (2005), Department of Health (2005), WCED (2005)

Strengths	**Challenges**
Decline in total number of reported crimes	Low income levels
Room to grow labour-absorptive sectors	Low quality of life
Stable political climate	Rapid growth in drug-related crime
Positive growth despite significant agricultural sector	High administrative vacancy rate
Economic potential	High illiteracy rate
	Largely rural households

**District comparisons*

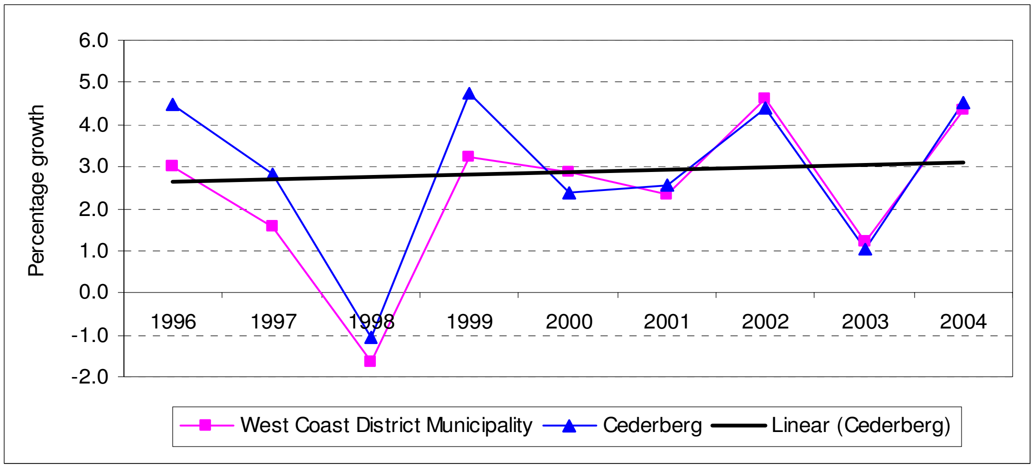
Economic outlook

Cederberg's economy is largely based on agriculture. The main economic activities are Farming, Fishing and Tourism. As a result, employment is often of a seasonal nature.

Cederberg contributed 9,9 per cent of the total GDPR for the West Coast district economy.? The Cederberg LM grew at a higher annual rate (2,9%), relative to the district (2,4%), between 1995-2004.

The Cederberg economy grew in line with the West Coast district municipality (Figure 1). However, growth over the period was volatile, with a steep dip in 1998. The external shock experienced in 1998, had a national effect which trickled down to the local municipalities.

Figure 1: GDPR growth trends: Cederberg versus West Coast District, 1996 – 2004



Own calculations, Quantec Research 2006

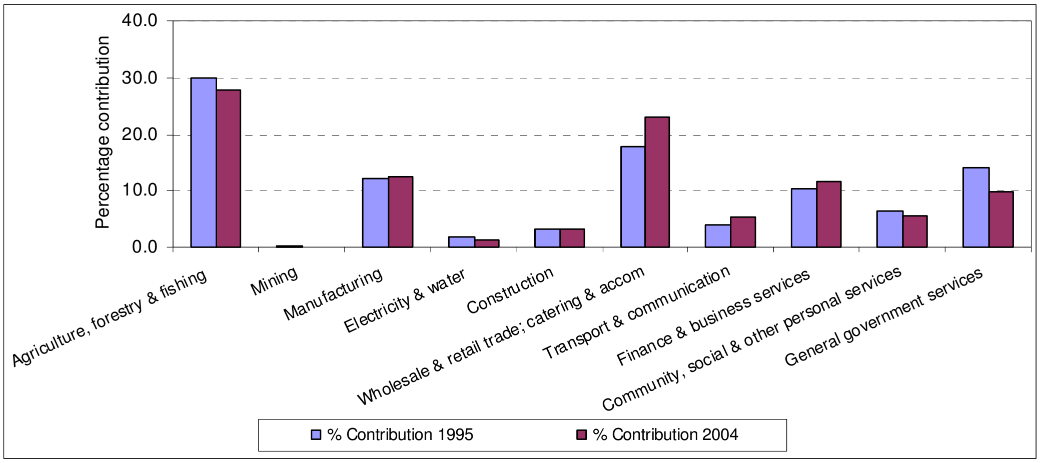
More recently (2000-2004), the Cederberg economy grew at an average rate of 3,1 per cent in line with the West Coast district (3,1%), although lower than the provincial average growth rate (4,3%). This reflects a marked improvement in the municipalitys' economic growth performance. In 2004, Cederberg LM grew at a faster rate (4,5%). The Western Cape Province outperformed the national growth rate in 2005 and the trend is expected to filter to regional economies.

Sectoral trends and contribution to GDPR[3]

In 2004 Cederberg's economy was dominated by Agriculture, Forestry & Fishing (27,7%), Fholesale & Retail trade; Catering & Accommodation (23,0%), Manufacturing (12,4%), and Financial & Business services (11,6%). The four sectors collectively contributed 74,7 per cent to the Cederberg Municipalitys' economic output in 2004.

The largest proportional increase occurred in the Wholesale & Retail trade sector; Catering & Accommodation (5.2%) and the Financial & Business Services (1,39%) sectors.

Figure 2: Cederberg sectoral contribution to the GDPR, 1995 and 2004



Own calculations, Quantec Research 2006

The fastest growing sectors (Table1) between 1995 and 2004 are, Transport & Communication (6,2%), Wholesale & Retail trade; Catering & Accommodation (5,8%), and Financial & Business services (4,3%).

With the exception of Mining, the General Government Services (2,0%) and Electricity & Water (1,2%) sectors declined between 1995 and 2004.

In 2004, the annual growth of the Wholesale & Retail trade, Catering & Accommodation sector climbed to 9,9 per cent compared to 9,1 per cent for the district. Similarly, the annual growth in Manufacturing accelerated to 9,2 per cent in the same year.

[3] This section is based on GDPR data from Quantec Research, unless noted otherwise.

Table 1: Cederberg: Sectoral trends , 1995 -2004

Industry	GDPR 2004 R (million)	Contribution per sector 2004 (Percentage)	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)	Growth 2003 – 2004 (Percentage)
Agriculture, forestry & fishing	154.8	27.7	2.0	1.2	1.6
Mining	0.4	0.1	-11.2	-2.2	2.2
Manufacturing	69.2	12.4	3.0	3.5	9.2
Electricity & water	6.9	1.2	-2.0	-1.8	0.2
Construction	17.4	3.1	2.3	3.5	3.6
Wholesale & retail trade; catering & accommodation	128.4	23.0	5.8	6.0	9.9
Transport & communication	30.3	5.4	6.2	5.4	5.0
Financial & business services	64.9	11.6	4.3	5.5	3.7
Community, social & other personal services	31.4	5.6	1.7	1.2	0.1
General government services	54.8	9.8	-1.2	0.2	-0.1
Total	**558.4**	**100.0**	**2.9**	**3.1**	**4.5**

Own calculations, Quantec data 2006

Agriculture, Forestry & Fishing

The Agriculture, forestry & Fishing sector is the largest in the municipality, contributing 27,7 per cent (R154,8 million) to the total GDPR in the area. It includes diversified farming activities such as plantation, citrus, winery, rooibos and fishing activities.

Between 1995 and 2004, the sector grew at a relatively slower average annual rate of 2,0 per cent, declining to 1.6 per cent between 2003 and 2004.

Wholesale & retail trade; Catering & Accommodation

In 2004 Wholesale & Retail trade, Catering & Accommodation was the second largest sector in the municipality, contributing 23,0 per cent to the municipal GDPR. Within the sector, Wholesale & Retail trade accounted for 91,5 per cent of the total sectoral contribution..

The Wholesale & Retail trade, Catering & Accommodation sector grew at 5,8 per cent between 1995 and 2004 peaking at 9,9 per cent, in 2004.

Manufacturing

The Manufacturing sector was the third largest sector in 2004, and accounted for 12,4 per cent of the total GDPR. The high tress index of 80 shows a concentration of activity mainly in three subsectors (scale of 0-100, with 0 equating to a diverse economy). The largest subsector within Manufacturing was the Food, Beverages and Tobacco which accounted for 61,2 per cent of total manufacturing in 2004. The extent of concentration is largely driven by agricultural activity that is dominant in the region. Other large subsectors in 2004 were Furniture and Other Manufacturing (13,6%) and Wood and Paper, Publishing and Printing (11,96%).

Average annual growth in the Manufacturing sector was 3,0 per cent between 1995 and 2004. Growth increased slightly between 2000 and 2004 ,to 3,5 per cent.

Table 2: Manufacturing subsectors 2004

Manufacturing subsectors 2004	R million	Percentage	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)
Food, beverages and tobacco	42	61.22	4.4	4.2
Textiles, clothing and leather goods	3	4.53	3.5	1.7
Wood and paper, publishing and printing	8	11.96	-1.4	-1.3
Petroleum products, chemicals, rubber and plastic	0	0.00	0.0	0.0
Other non-metal mineral products	0	0.16	1.7	-1.4
Metals, metal products, machinery and equipment	4	5.68	3.3	1.9
Electrical machinery and apparatus	0	0.00	0.0	0.0
Radio, TV, instruments, watches and clocks	1	1.59	0.9	-0.8
Transport equipment	1	1.32	3.2	3.3
Furniture and other manufacturing	9	13.55	2.1	2.0
Total	**69**	**100.00**	**3.0**	**3.5**

Own calculations, Quantec 2006

Financial & business services

The Financial & Business services sector contributed 11,6 per cent to Cederberg's GDPR. In 2004 the Financial & Insurance subsector made up 53,3 per cent and the Business services subsector 46,7 per cent.

The sector grew at an average annual rate of 4,3 per cent between 1995 and 2004, and increased to 5,5 per cent between 2000 and 2004.

Transport & communication

The Transport & Communication sector accounted for only 5,4 per cent of Cederberg's total GDPR and 5,9 per cent of the district GDPR, in 2004. In the same year the Transport & Communication subsectors contributed equally to the sector total.

Between 1995 and 2004 the sector recorded good growth, averaging 6,2 per cent on an annual basis, however declining to 5,4 per cent between 2000 and 2004.

Demographic Profile

Cederberg has one of the smallest populations within the district (excluding DMA areas), with a population of 45 301, in 2006. This is equivalent to 14,1 per cent of the West Coast district population. Between 2001 and 2006 Cederberg's population increased from 39 563 to 45 301, at an average rate of 2,75 per cent a year.

The local population is expected to grow at a rate of 2,33 per cent a year, between 2006 and 2010, reaching 49 680 people by 2010. Its share of the district population will remain constant at the 14 per cent mark.

Cederberg's population is mainly Coloured (77,0%), with the African (10,0%) and White (12,0%) population groups at relatively equal proportions. Cederberg had the largest proportion of rural households (Table 3) in the West Coast local municipality, excluding the DMA.

Rural urban split

The municipalitys' proportion of rural households (51,2%) was slightly greater than its proportion of urban households (48,8%). Compared to the West Coast district, its rural proportion was higher than that of the district (30,1%).

Table 3: Number and proportions of rural and urban households, 2001

	Total number of households	Number of rural households	Rural households (Percentage)	Rural households (Percentage of district)	Number of urban households	Urban households (Percentage)	Urban households (Percentage of district)
West Coast District	**73 444**	22 115	30.11	20.54	51 329	69.89	4.82
Cederberg	**10 366**	5 303	51.16	23.98	5 063	48.84	9.86

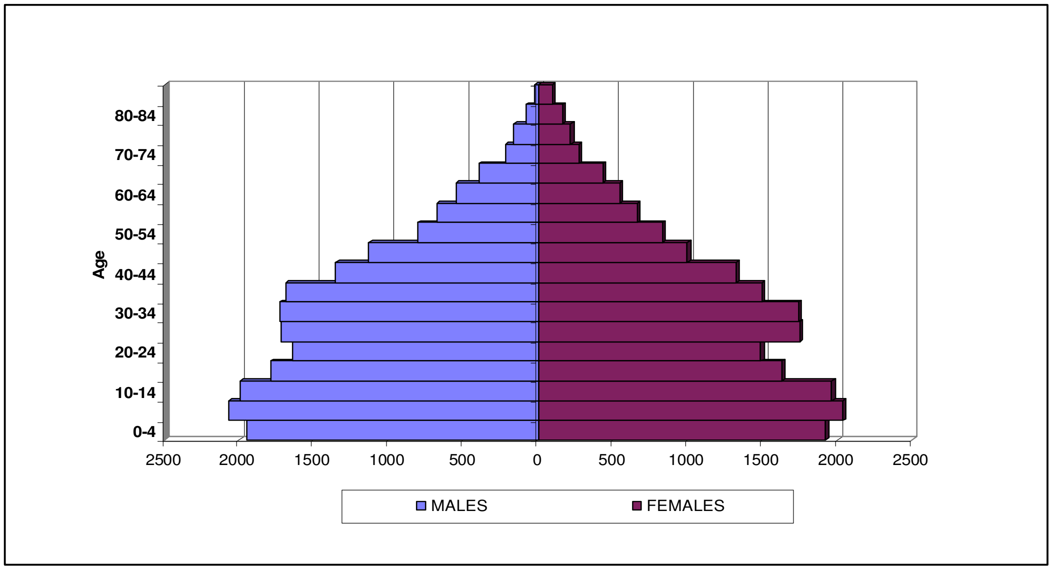
Demarcation Board (Census 2001 data)

Cederberg's population is relatively young, with a median age of 27. The dependency ratio[4] has declined from 0,55 in 2001 to 0,53 in 2006 and is projected to decline even further to 0,52 by 2010.

[4]The dependency ratio is calculated as the number of 0-14-year-olds plus the number of 65-year-olds and older, divided by the number of people in the 15-64-year-old age group. This is to give a rough indication of dependency, but it should be noted that it is not linked to labour force or income earners (including those of pensionable age who have access to social or private pensions or other forms of income).

The broad base of the pyramid graph (Figure 3) highlights a large young population as well as a significant proportion of persons below 40 years of age. There is also a marked decline in the 0-4-year group.

Figure 3: Cederberg population pyramid, 2006

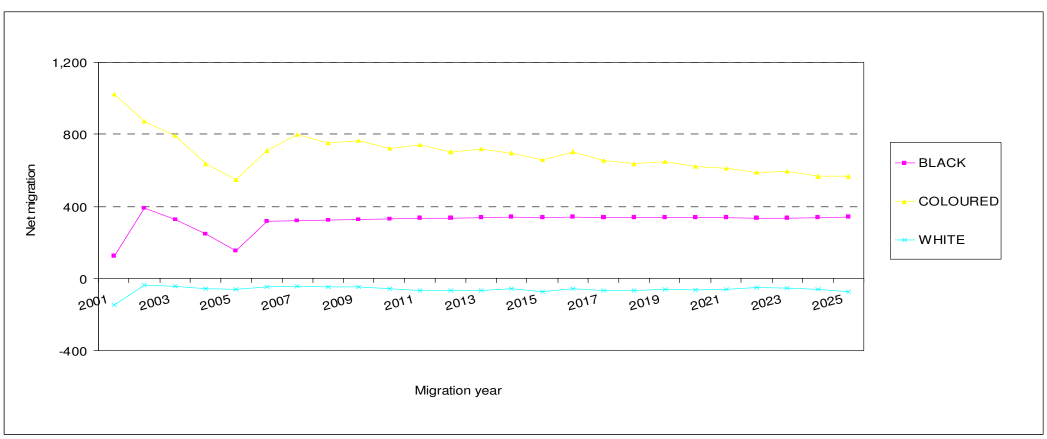


CARE 2005

Migration

Figure 4 below shows migration projections, which are intended to provide insight into the underlying trends in the region's migration patterns. According to the projections between 800 and 1 100 people per annum will migrate into the Cederberg LM over the period 2001 to 2025 with the exception of 643 persons in 2005. Total in-migration for 2006 is projected at 982 people.

Figure 4: Projected net-migration – West Coast District, 2001 - 2025



CARE 2005

Of the populations groups, Coloured in-migration is the highest at 1 022 in 2001, decreasing to 711 in 2006 and gradually declining thereafter to 568 in 2025. African in-migration is at 125 in 2001, increasing to 318 in 2006, stabilising around the 340 until 2025. White in-migration is declining with

147 persons leaving in 2001 and 47 in 2006, with out-migration remaining between 40 and 80 until the end of the projected period.

Employment trends

Cederberg's working-age population[5] (15 and 64 years of age) is estimated at 29 561 or 65,3 per cent of the total population in 2006. This is expected to grow at a rate of 2,5 per cent a year over the next four years, reaching 32 686 in 2010.

The labour market section discusses key trends in the labour market from 1996 to 2001 based on census information. In 2001, Cederberg's labour force represented roughly 44,0 per cent of it total population.

Table 4: Cederberg labour market information, 1996 and 2001

	Employed	Employed (Percentage)	Unemployed	Unemployed (Percentage)	Labour force	Labour force participation rate (Percentage)	Not economically active	Total population 15-65 years
1996	12 603	91.8	1 123	8.2	13 726	70.7	5 692	19 418
2001	15 503	89.8	1 759	10.2	17 262	66.9	8 528	25 789

Statistics South Africa, Census 1996, 2001

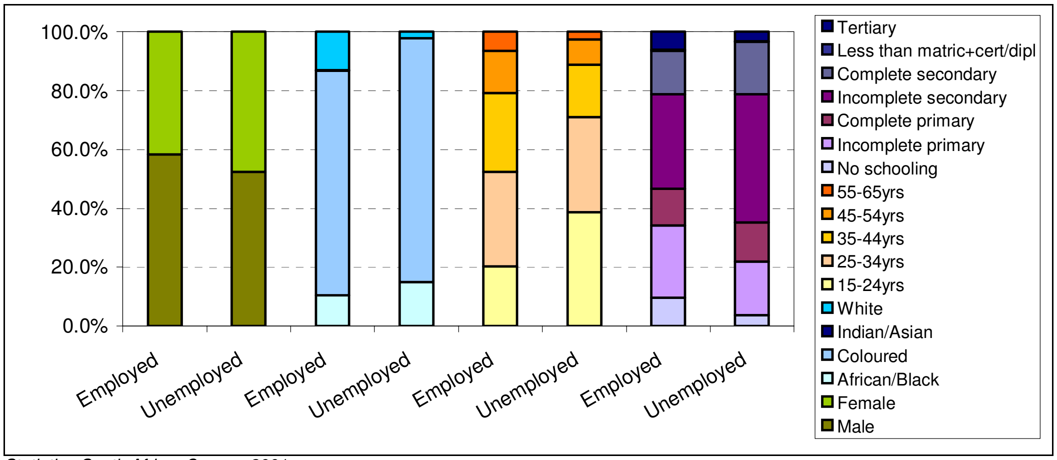
Drawing from census data, labour force participation rates suggest a declining trend, moving from 70,7 per cent in 1996 to 66,9 per cent in 2001 (Table 4).

The drop in labour force participation was accompanied by an increase in the number of people employed from 12 603 in 1996 to 15 503 in 2001. However, while the number of employed persons increased, the proportion of the employed declined from 91,8 to 89,8 per cent over the period. The number of the unemployed people also increased from 1 123 to 1 759, over the same period.

These trends are evident when disaggregating the employed and unemployed by gender, population group, age group and educational attainment for 2001, as summarised in Figure 5 below.

[5] ASSA2003 Model projections, Centre for Actuarial Research 2005

Figure 5: Characteristics of Cederberg's employed and unemployed, 2001

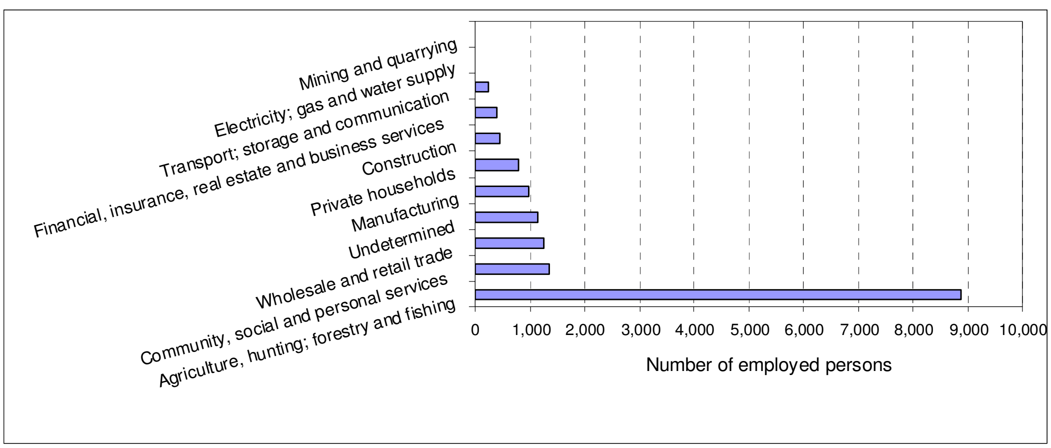


Statistics South Africa, Census 2001

In 2001, more males (58,3%) were employed relative to females (47,1%). Unemployment among young people, especially between the ages of 15 and 24 years, was particularly significant, accounting for almost 40,0 per cent of all unemployed persons.

The level of education in the labour market was generally low, comprising of nearly 80,0 per cent of people with incomplete secondary education or less.

Figure 6: Employment by sector, 2001



Statistics South Africa, Census 2001

In 2001 the predominant employer in the Cederberg LM was the Agricultural, Fishing & Forestry sector, which accounted for 57,2 per cent of the total employment.

However, the seasonal nature of work in this sector masks the true trend of employment rates and therefore the underlying income trends of communities.

Other significant employers were the Community, Social & Personal Services sector (8,7%) and the Wholesale & Retail trade (8,1%) sector.

Between 1996 and 2001 the Agriculture, Forestry & Fishing sector had increased its share of total employment by 4,5 per cent (52,7% to 57,2%), while the Wholesale and Retail trade's share decreased by 2,9 per cent (11% to 8,1%)over the same period.

Access to services and well-being

Shared or broad-based growth requires that poor people gain access to tangible assets such as land, housing, water, energy, sanitation, transport and credit, or intangible assets such as education, health and personal safety.

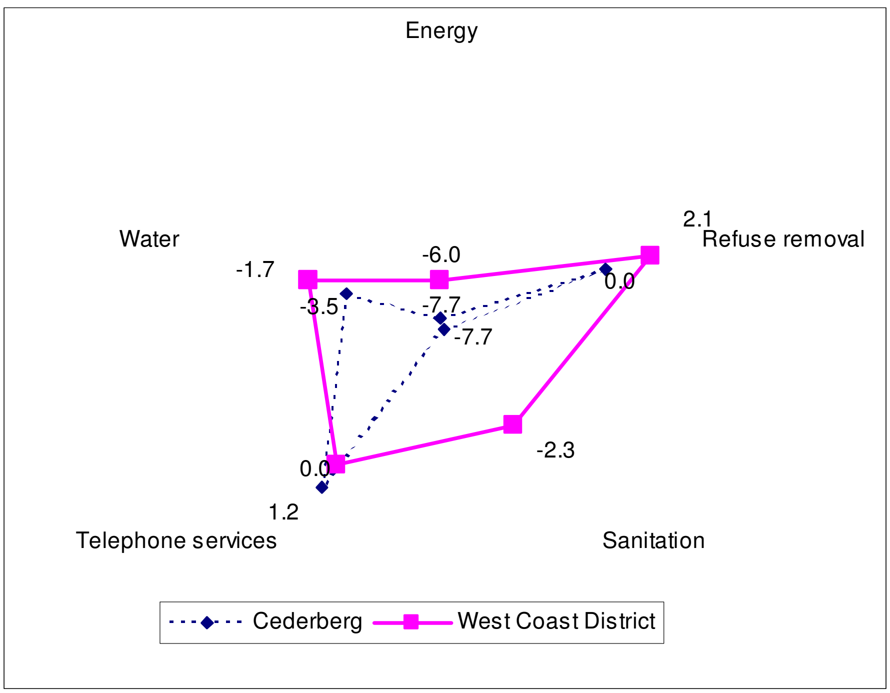
Indicators that measure access to basic services (energy, water, refuse removal, telephone services, sanitation, housing), access to social services (education, health care and policing), access to income-generating activities and, where available, attendant socio-economic well-being such as educational attainment, health status, crime levels, income distribution and poverty levels depict the quality of life facing the average citizen.

Basic service provision[6]

Access to basic services has considerable influence on the standard of living and quality of life of people living in the area. The figure below compares the Cederberg LM to the West Coast District on five measures of basic services, namely energy, water, refuse removal, telephone services and sanitation.

It comprises only the households with access to less than basic services. The negative sign in numbers indicate an improvement in access to respective services.

Figure 7: Percentage change in households with below basic access to services – Cederberg versus West Coast, 1996 and 2001



Statistics South Africa: 2001 Census – Community profile database, DBSA

[6] The information on basic services comes from the 1996 and 2001 censuses. Although it is five years on from the last census, it gives an indication of the level and changes in access to services in the inter-census period. Further information is drawn from the Development Profile of Saldanha Bay Municipality, Analysis of the Status Quo, April 2002, as well as the Independent Electoral Commission.

Cederberg Municipality outperformed the district in all areas, except in access to telephone services, which showed a 1,2 per cent increase in the number of households (388) with below basic access to telephone services.

Energy, sanitation and water services all showed relative improvements in the proportion of households with access to these services, but in absolute terms the improvements in numbers were small with 45 (energy), 77 (sanitation) and 218 (water). In 2001, only 181 households in Cederberg still lacked basic water services.

Table 5: Changes in access to basic services[7] between 1996 and 2001: Cederberg

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Cederberg	% Change 1996-2001	-7.7	0	-7.7	1.2	-3.5
	Number of households (Change 1996-2001)	-45	1327	-77	388	-218
	Number of households with below basic access to services 2001	1 842	4 397	1 721	987	181

Statistics South Africa, Census 2001: Community profile database, DBSA

Housing[8]

Housing is an important area of service delivery in the Western Cape. According to Census 2001, the Cederberg LM had an estimated 11 181 housing units of which 93,5 per cent were formal structures, while informal housing comprises only 6,5 per cent of all housing units.

The housing backlog in the Cederberg LM was 670 in 2001 and remained unchanged in 2004. Between 1994 and 2004 a total of 940 housing units were built. The municipality expressed the need for low-income housing and for land development for middle-income housing.

Access to education and educational attainment levels

The Cederberg municipal area has 24 secondary and primary schools, representing 18,1 per cent of all schools in the West Coast District. With regards to the workload of educators, the area on average has a learner/educator ratio of 36, compared to a ratio of 37 for the district.

Illiteracy rates are high with 34 per cent of the population having less than seven years of formal education. This is also reflected in the education levels of the labour force.

[7] Less than basic access to services defined as: Energy - gas, paraffin, candles and other; Refuse removal - own refuse dump, or no rubbish disposal; Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, or other; Telephone services - telephone at another location not nearby or no access to a telephone; Sanitation - bucket latrine, or none

[8] Department of Housing (2004) and data from local municipalities

Table 6: Highest education level grouped for 20+ ages, 2001

	Cederberg	Percentage	District	Percentage
No schooling	2 926	12.0	16 177	9.2
Some primary schooling	6 044	24.7	38 167	21.7
Completed primary schooling	2 972	12.2	18 511	10.5
Some secondary schooling	7 553	30.9	58 561	33.3
Grade 12/Std 12	3 570	14.6	32 440	18.5
Higher	1 363	5.6	11 855	6.7

Statistics South Africa, Census 2001

Compared to the West Coast District, Cederberg has a smaller proportion of people with high education levels (Grade 12/Std 10 or Higher Education) - a combined 20,2 per cent compared to the district's 25,2 per cent.

At secondary and complete primary levels, Cederberg's proportions are also lower than those in the district. The poor education attainment levels can also be observed in the proportion of persons in low-skill occupations in the municipal region as compared to the district.

Access to health care services and health status

Cederberg performed poorly on selected health indicators, where only 79,0 per cent of the children under one year had their first measles immunisation. The municipality's tuberculosis (TB) prevalence rate of 1 303 per every 100 000 persons, with a cure rate of 77 per cent, is also high. The munciality needs to improve in order to meet the national targets of a 90,0 per cent immunisation and a 85,0 per cent TB cure rate.

HIV prevalence is projected to increase from 1,8 per cent to 3,0 per cent in 2005 and 4,1 per cent by 2010. Aids related deaths are projected to increase from 25 in 2001 to 55 in 2005 and 110 in 2010. As a proportion of total deaths, AIDS related deaths are expected to increase from 6,8 per cent in 2005 to 12,5 per cent in 2005 and 20,3 per cent in 2010.

The workload on the health care staff is also higher than the national recommendation, as shown by the the patient/nurse ratio of 37 compared to the national target of 34.

Table 7: Health measures

	Cederberg Municipality	West Coast District	National Health Targets
Number of medical facilities	12	74	
Nurse/patient workload per day	37	40	34
Percentage of new-born babies under 2,5 kg	20%	16%	Less than 10%
Proportion of under 1-year-olds with 1st measles immunisation	79%	88%	90%
TB prevalence rate per every 100 000 people	1 303	1 214	
TB cure rate	77%	73%	85%
HIV/aids prevalence 2005	3.0	3.2	
Number of Aids deaths 2005	55	425	
HIV/aids prevalence 2010	4.1	4.3	
Number of Aids deaths 2010	110	807	

Department of Health, 2005 and CARE, 2005

Access to policing services and crime status

The 26 police stations in the West Coast District are evenly spread across the municipalities with five each per local municipality and one in the DMA.

For the purpose of this work, information on personnel numbers could not be attained and therefore the workload could not be calculated, although it warrants further investigation. Drug-related crime in Cederberg grew rapidly, rising from 259 in 2002/2003 to 687 in 2004/2005.

The number of reported rape cases in Cederberg has also increased from 59 to 74 over the three year period, while the neglect and ill treatment of children remained fairly stable.

Table 8: Reported crime statistics, 2002-2005

Crime (reported crime)	2002/2003	2003/2004	2004/2005
Murder	28	30	22
Rape	59	66	74
Neglect and ill-treatment of children	9	11	11
Drug-related crime	259	533	687
Total number of reported crimes	3 271	3 267	2 793

SAPS, 2005

Indicators of well-being

This section reviews three indicators of well-being, namely the Human Development Index (HDI), the City Development Index (CDI) and the Provincial Index of Multiple Deprivation (PIMD)

The Human Development Index (HDI) is a composite measure that provides information on the human development performance of a region. It is an average of health, education, income and infrastructure indicators.

The City Development Index (CDI) is a poverty measurement tool similar to the HDI, but designed to reflect a municipality's investment path.

Table 9: Human and City Development Indices and component scores

	Cederberg Municipality	Western Cape Province
HDI (and components below)	**0.67**	**0.72**
Health	0.67	0.63
Income	0.72	0.84
Education	0.63	0.68
CDI (and components below)	**0.68**	**0.81**
Infrastructure	0.68	0.79
Waste	0.52	0.89
Health	0.69	0.68
Education	0.78	0.86
Income	0.72	0.82

Department of the Premier, 2005

Cederberg's HDI (0,67) and CDI (0,68) compared poorly with that of the province of 0,72 and 0,81 respectively.

The education and income scores for both the HDI and CDI are particularly low when compared with the province, although the local municipality scores higher on health measures. The waste (0,52) and infrastructure (0,68) components of the CDI are also well below that of the province's 0,89 and 0,79 respectively.

According to the Provincial Index of Multiple Deprivation (PIMD) there is some evidence of deprivation as seen in some wards in the Cederberg area. Of all wards in the Cederberg area, 67 per cent fell within the most deprived wards in the Western Cape (Table 10).

Table 10: Percentage of wards that fall within each quartile of wards in the Western Cape on the various Deprivation Domains (2001 – Cederberg)

Domain	Percentage of wards in least deprived 25%	Percentage of wards in least deprived 25-50%	Percentage of wards in most deprived 25-50%	Percentage of wards in most deprived 25%
Overall PIMD	0	33	50	17
Income	0	0	67	33
Employment	50	33	17	0
Education	0	17	17	67
Health	17	0	50	33
Environment	0	17	67	17

Noble, M., Barnes, H., Noble, S., Ntshongwana, P. and Wright, G. (2006) The Western Cape Provincial Index of Multiple Deprivation 2001, University of Oxford, UK

Cederberg fared poorly on all deprivation indices with the exception of employment.

Notable areas of deprivation were in income, where all wards in Cederberg were in the most deprived half of the provincial wards. Overall, the Cederberg wards performed poorly relative to the provincial.

Access to income-generating activities and income distribution and poverty levels

There are numerous ways and means to generate income, whether it is formal or informal employment, through a wage income or self-employment, or, for those on the lower end of the income spectrum, through access to the Government's extended public works employment programme or social security grant system.

Formal employment and skills level[9] distribution

In 2001 about 56,0 per cent of Cederberg's employed people could be classified as low-skilled[10] (where skill is grouped by occupation), with the skilled making up 26,2 per cent. Low-skill occupations represented 9,3 per cent of employment.

[9] Low-skill occupations are defined as elementary occupations in which individuals are employed; skilled occupations include posts for clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, as well as plant and machine operators and assemblers. The high-skilled occupations category includes professions such as legislators, senior officials and managers, professionals, as well as technicians and associate professionals.

[10] High-skilled - Legislators, senior officials and managers, professionals, technicians and associate professionals; Skilled – Clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, plant and machine operators and assemblers; Low-skilled – Elementary occupations. Unknown occupations were excluded from calculations.

Table 11: Skills level of the employed, 2001

	District	Cederberg
High skilled	12.3	9.3
Skilled	36.5	26.2
Low skilled	51.2	64.5

Statistics South Africa, Census 2001

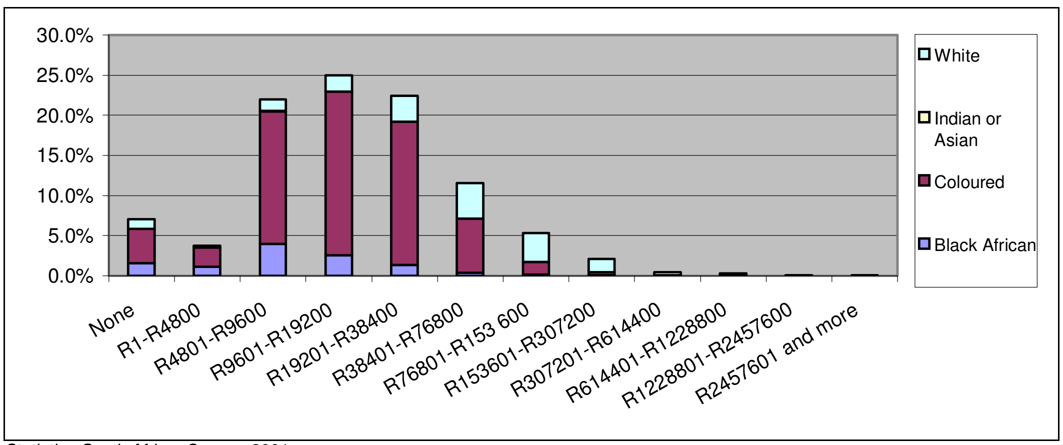
Income distribution

Households' ability to access the different income-generating activities described above influences their positioning within the municipality's income distribution as well as the municipality's poverty levels.

Household income in Cederberg is concentrated in the lower-middle income groups, with the majority (69,4%) of the households earning a monthly income of between R400 and R3 200. An additional 10,8 per cent of all households earned less than that – R0 to R400 a month.

Female-headed households make up approximately 27,0 per cent of all households and nearly 7,0 per cent of all households are headed by young people between the ages of 15 and 24. These households are likely to be more vulnerable, and often have lower incomes.

Figure 8: Cederberg income distribution by population group, 2001



Statistics South Africa, Census 2001

Access to government income support

Social grants[11]

Social grants are social welfare payments to individuals on the basis of their specific qualifying criteria meeting the requirements of the government needs test.

[11] South Africa South Security Agency 2006, ALLPAY annual data for 2005. Only represents payments made at ALLPAY stations.

Table 12: Social grants data, 2005

Cederberg	Average number of recipients (monthly)	Proportion of total number of recipients	Proportion of total number of recipients West Coast District	Average monthly value of grant[12]	Total value of grants paid (monthly in Rands)
Old age	123	26.25	29.28	723.16	88 768
Disability	93	19.90	24.03	745.75	69 417
Foster care	16	3.49	3.62	798.72	13 046
Care dependency grant	4	0.86	1.06	770.83	3 083
Child support	218	46.63	39.81	241.10	52 579
Grant-in-aid	13	2.71	2.07	162.11	2 053
All other grants	1	0.16	0.13		
Total grants	468	100.00	100	491.17	229 705

SASSA, 2006

The average number of grants paid monthly during 2005 from ALLPAY pay points in Cederberg was 468. The largest proportions of recipients were those who received child support and disability and old-age grants. The child support by far exceeded the other grants, representing almost half of the total number of grants.

Cederberg's proportion of child support grants was high - 46,6 per cent compared to the district average of 39,8 per cent - while its proportions of old-age (26,3%) and disability grants (19,9%) were below those of the district average of 29,3 per cent and 24,0 per cent, respectively.

[12] The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:
Lump sum for the beneficiary due to the date the grant was put in payment versus the application date
Lump sum for the beneficiary due to previous month's grant being uncollected
Lump sum for the beneficiary due to re-instatements
Yearly beneficiary uptake (new applications)
Yearly pay-point transfers (movement of beneficiaries between pay points)

Municipal Sustainability

Municipal stability and sustainability in respect of political environment, revenue generation capacity and internal capacity are critical to ensuring robust service delivery at the local level in support of the Province's shared growth and integrated development goals.

However, the high unemployment level also put pressure on the ability of the public to pay for municipal services, hence the move to effectively manage/administer the free basic services for poor households.

Cederberg municipality in its IDP has identified challenges with respect to 'lack of clarity regarding areas of jurisdiction, roles and responsibilities of category B and C municipalities that severely constrain the process of Integrated Development Planning and appropriate budgeting'.

Political environment

Cederberg Municipality has six wards and twelve councillors. In the most recent local government elections, six seats went to the African National Congress (ANC), five to the Democratic Alliance (DA) and one to the United Democratic Front (UDF).

Table 13: Municipal election results, 2000 and 2006

Political party	Total Seats	
	2006	**2000**
African National Congress	6	6
Democratic Alliance	4	5
Independent Democrats	2	0
United Independent Front	0	0
United Democratic Movement	0	1
Total number of seats	**12**	**12**

Own representation based on IEC data

The DA and UDF have an alliance contributing to an equal division of votes in council. The decision was made to share the mayoral term (half-half) between the DA and ANC, currently with the ANC. The political relations between the two leading parties in Cederberg have been relatively unchanged, suggesting a stable political climate, which is an important factor for long-term sustainability.

Revenue generation

Total municipal revenue for Cederberg Municipality for the 2006/2007 financial year is budgeted at R92,9 million. Own revenue constitutes the largest part of the total (R38,6 million or 41,5 per cent). The Medium-term Revenue and Expenditure Framework (MTREF) revenue growth projection is an average annual rate of 2,7 per cent.

Table 14: Overall municipal revenue

Source	Budget	Budget	Medium-term estimate		Growth	
R'000	2005/2006	2006/2007	2007/2008	2008/2009	2005/2006-2006/2007	MTREF
Transfers	**21 518**	**34 923**	**18 665**	**20 254**	**62.3%**	**-2.0%**
National transfers	4 444	11 440	5 345	5 505	157.4%	7.4%
Provincial transfers	1 900	7 023	1 648	1 841	269.6%	-1.0%
Municipal transfers	1 600	3 830			139.4%	-100.0%
Unclassified	13 574	12 630	11 672	12 908	-7.0%	-1.7%
Main sources of own revenue	35 650	38 580	39 507	41 647	8.2%	5.3%
All other sources of	10 438	19 405	10 652	11 278	85.9%	2.6%
Total	**67 606**	**92 908**	**68 824**	**73 179**	**37.4%**	**2.7%**

Provincial Treasury, Fiscal Policy Unit based on Final Budget, 2006 MTREF

Own revenue in Cederberg is mainly obtained from electricity and property rates. For the 2006/2007 financial year the proportions were 39,7 per cent (electricity) and 32,4 per cent (Property rates). Other sources of income are water (12,8%), sanitation (8,0%) and refuse removal (7,0%).

The growth in total own revenue over the MTREF is expected to average 5,3 per cent annually, driven by growth from property rates, electricity, sanitation and refuse removal revenue. In order to secure this revenue, the municipality needs to have systems in place to ensure collection for these services.

Table 15: Main sources of own revenue

	Budget	Budget	Medium-term estimate		Growth	
	2005/2006	2006/2007	2007/2008	2008/2009	2005/2006-2006/2007	MTREF
Property rates	30.9%	32.4%	33.5%	33.7%	13.3%	8.4%
Electricity	40.6%	39.7%	41.1%	41.4%	6.0%	6.0%
Water	13.1%	12.8%	9.7%	9.2%	6.0%	-6.2%
Sanitation	8.2%	8.0%	8.3%	8.4%	5.8%	5.9%
Refuse removal	7.2%	7.0%	7.3%	7.3%	5.8%	5.9%
Other	0.0%	0.0%	0.0%	0.0%		
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**8.2%**	**5.3%**

Provincial Treasury, Fiscal Policy Unit based on Final Budget, 2006 MTREF

The recent LG MTEC 3 assessments, however, revealed inefficiencies in the municipality's debt management capabilities, which are largely the result of a high vacancy rate in the finance department. Out of a total number of 24 positions in finance, 13 positions were vacant which is affecting the municipalitys ability to collect debt. The norm period for debt collection is 42 days. For the 2003/2004 financial year, Cederberg's ratio was 210. This declined to 204 in 2004/2005. Debtor analysis at the end of February 2005/2006 showed a total debt amount of R29,2 million up from R20,4 million in the previous year.

It is clear that debtor levels are well above the norm and the municipality must address this to secure the revenue it needs to meet its service delivery obligations.

Conclusion

Cederberg has a potential to further boost its economic growth. On average it experienced good economic growth compared to the district over the period 1995 to 2004. Unlike other regions with similar exposure to the agricultural sector, the municipality's growth rate was not as affected. Cedeberg's agricultural sector grew by 1,6 per cent in 2004 — higher than the 1,2 per cent average growth seen from 2000 to 2004 — while some municipalities were adversely affected by large exposure to the sector. Although the rate of growth in agriculture was generally slow, the positive contribution is largely due to the diversified nature of agricultural activity within the municipality.

The local municipality is also characterised by unemployment, increasing crime rates, low household income and poor development indicators. Sectors with high labour absorption capabilities (excluding agriculture) are relatively small.

The high number of violent crimes, especially in such a relatively small population, and the increase in drug-related crime are cause for concern.

Basic services are also sorely lacking for a large part of the population, in particular the proportion of the population with below basic access to refuse removal (39,3%), sanitation (15,4%), energy (16,5%) and telephone services (8,8%). The lack of adequate housing also remains a challenge.

Access to refuse removal services and telephone services are the key areas of weakness. Given the large rural component of households, there is a need to explore rural development strategies to complement the local economic development strategies in place. General government services also need further deepening, in line with the national infrastructure growth, to create an enabling environment for economic agents.

4

Berg River Local Municipality

List of towns

Piketberg
Velddrif
Porterville
Goedverwaght
Wittewater
Eendekuil
Aurora
Redelinghuys
Dwarskersbos

Real GDPR (2004)	:	R671,5 million
Total population (2006)	:	54 568
Urban /rural population	:	60,70% : 39,30%

Total population	**(2001)**	**: 48 076**
	(2006)	**: 54 568**
	(2010)	**: 60 292**

Number of wards : 7

Population density: 1,6 persons per km^2

Households in urban areas: 60.70%

District comparisons in parentheses

Population growth rate	
2001 - 2006 (average annual %)	2,57% (2,38%)
2006 - 2010 (average annual %)	2,53% (1,95%)

CARE, 2005

Socio-economic indicators

Growth rate 2003/2004	1,8% (4,3%)
Unemployment rate 2001	7,6 % (13,8%)
Number of unemployed 2001	1 629 (17 175)
Proportion of households with no income	3,7 % (6,6%)
Number of households with no income	490 (5 141)

Statistics South Africa; Census 2001

Health			
Number of medical facilities	15 (74)	Nurse : patient ratio *(National target: 34)*	35 (40)
Percentage births under 2,5 kg *(National target: < 10%)*	24 (16)	Proportion under 1 with 1st measles immunisation *(National target: 90%)*	87 (88)
TB prevalence per 100 000 people	969 (1 214)	TB cure rate % *(National target: 85%)*	75 (73)
Education			
Number of schools (primary and high)	24 (133)	Educator : learner ratio	37 (37)
Percentage of people over 14 illiterate (less than Grade 7)	30 (29)		
Crime (reported)			
Number of police stations (2004/05)	5 (26)	Total number of cases reported (2004/05)	2 697 (21 642)
Number of murders (2004/05)	19 (164)	Number of rapes (2004/05)	44 (456)
Drug-related crimes 2002/03	299 (1 617)	Drug-related crimes 2004/05	954 (3 480)

Department of Health (2005), WCED (2005), SAPS (2005)

Strengths and challenges

Strengths	**Challenges**
Relatively low levels of unemployment	Slow economic growth
Manageable health and education workloads	Growing numbers of drug-related crime
Decline in total number of reported crime (and serious crimes such as murder and rape).	Reduce illiteracy rate and improve levels of education.
Positive growth in agriculture	Unfavourable health indicators (e.g. TB cure rate, birth weight).

Introduction

The Bergriver Local Municipality[1] is situated in the West Coast District, bordering on the Atlantic Ocean in the west, with other West Coast District local municipalities to the north (Cederberg, Matzikama) and south (Saldanha Bay, Swartland), and the Cape Winelands District in the east.

Bergriver is characterised by natural beauty, including the Olifants and Piketberg mountain ranges and the Olifants and Bergriver's that run through it. Its main town is Piketberg, which is also the administrative centre of the Municipality.

Other larger areas include Velddrif, Porterville, the Moravian Mission stations of Goedverwaght and Wittewater, Eendekuil, Aurora, Redelinghuys and Dwarskersbos. Population projections for 2006 show Bergriver's population at 17 per cent of the District.

In 2004 the economy had sizeable contributions from:

- Agriculture, Forestry & Fishing (33,4%);
- Wholesale & Retail Trade; Catering & Accommodation (15,2%);
- Manufacturing (12,4%); and
- Finance & Business Services (11,2%).

Bergriver contributed 11,9 per cent of GDPR or R671,5 million of the District's R5,6 billion in 2004. Between 1995 and 2004, economic growth was weak, at an annual average rate of 0,3 per cent.

The Wholesale & Retail Trade (3,6%); Catering & Accommodation and Transport & Communication (3,3%) sectors showed strongest growth..

[1] Berg River is a Category B municipality, falling within the authority of the West Coast District (Category C Municipality). A Category B municipality is defined as a municipality that shares executive and legislative authority in its area with a Category C municipality within whose area it falls.

Economic Outlook

The Agricultural and Fishing sector activities form the economic base of the area[2]. There is, however, potential to diversify the agricultural sector in particular. The area also has the potential to increase its tourism potential to grow the local economy.

According to the Growth Potential of Towns in the Western Cape (2004), towns in the Bergriver area had a mixture of high and low development potential. Piketberg, Porterville, Velddrif and Redelinghuys scored high on development potential, while Eendekuil, Goedverwaght, Aurora and Dwarskersbos had low development potential.

The towns were also varied on the human needs index, with Redelinghuys, Eendekuil and Goedverwaght having high human needs and Piketberg, Porterville, Velddrif, Aurora and Dwarskersbos scoring low on human needs.

The Bergriver Local Economic Development Strategy[3] encourages local as well as foreign investments in the area. It has a list of proposed incentives to attract investment to the area. These include making land available at a reasonable price, free basic services infrastructure, discounts in use of electricity and refuse removal for a specific period. The Bergriver Municipality has managed to secure Belgian funding for some of its projects.

Economic Trends

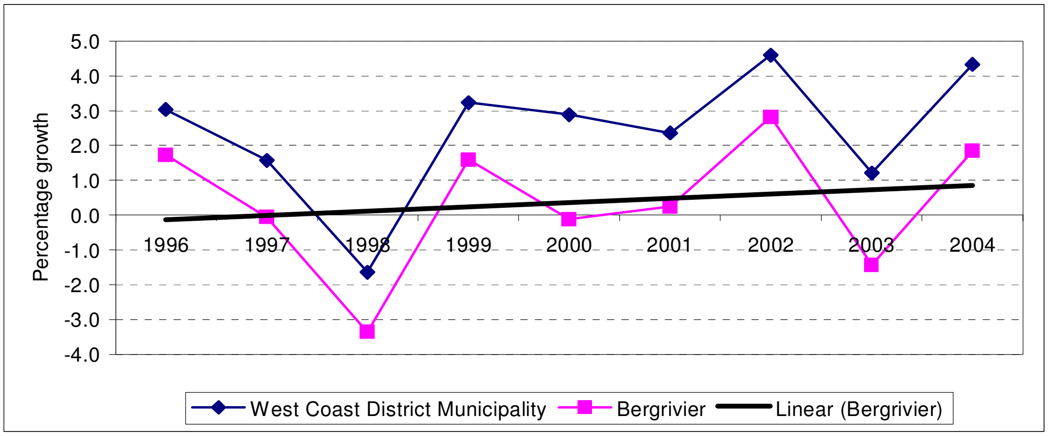
Assessing local economic performance, in 2004 Bergriver Municipality's regional gross domestic product (GDPR) reached R671,5 million, measured at constant 2000 prices, contributing 11,9 per cent of total GDPR to the West Coast District economy, and was one of the smaller local economies in the District.

Overall, the linear growth trend over this period for the Bergriver Municipality was slow but positive (Figure 1). The region registered growth of only 0,3 per cent per annum over the nine year period between 1995 and 2004, well below the District average of 2,4% per annum.

[2] Berg River IDP.

[3] Berg River Local Economic Development Strategy.

Figure 1: GDPR growth trends: Bergriver Municipality versus West Coast District, 1996 – 2004



Own calculations based on Quantec Research

When measured over the four year period to 2004, average annual growth increased by a marginal 0,9 per cent. This is significantly the West Coast District's growth rate of 3,1 per cent and 4,3 per cent of the Western Cape.

The latest available data suggests that Bergriver Municipality's recent growth performance (1,8% between 2003 and 2004) compares well with the future growth trend.

Sectoral trends and contribution to GDPR[4]

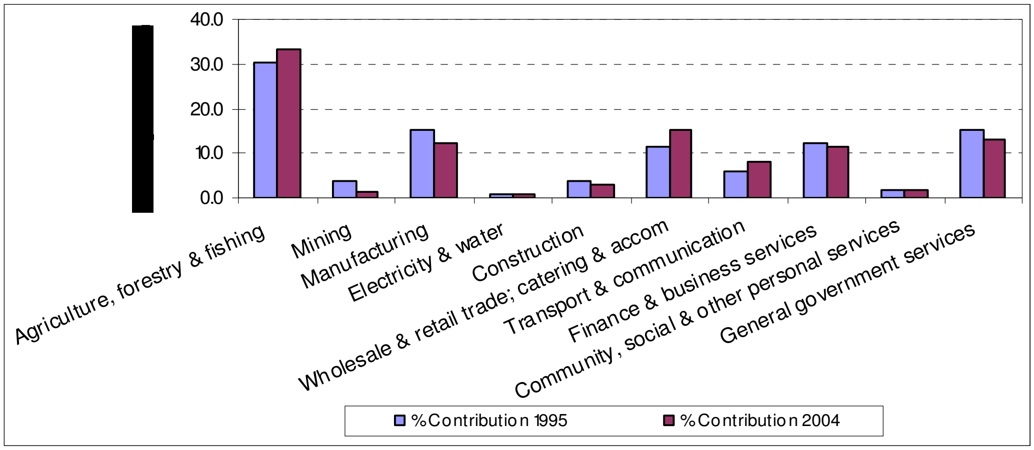
In 2004, Bergriver's economy was dominated by Agriculture, Forestry & Fishing (33,4%), Manufacturing (12,4%), Wholesale & Retail Trade; Catering & Accommodation (15,2%) and Finance & Business Services (11,2%). General government Services also contributed a considerable proportion (13,2%). Together, these sectors contributed 85,4 per cent of the Bergriver's economic output in 2004.

Overall changes between 1995 and 2004

Between 1995 and 2004, there was a shift in the economic composition of the region. The Wholesale & Retail Trade; Catering & Accommodation (3,78%) and Agriculture, Forestry & Fishing (3,07%) sectors recorded the largest proportional increases. Declining sectors over this period were Manufacturing (by 2,81%) and Mining (by 2,42%).

[4] Some detail on sector activity drawn from Berg River IDP.

Figure 2: Bergriver Municipality - Sectoral contribution to GDPR, 1995 and 2004



Own calculations, Quantec data 2006

For the period 1995 to 2004, Wholesale & Retail Trade; Catering & Accommodation (3,6%), Transport & Communication (3,3%) and Electricity & Water (1,8%) sectors recorded faster growth.

Table 1: Bergriver: Contribution to GDP per sector 2004 and Average annual growth per sector, 1995 – 2004 & 2000 – 2004

Industry	GDPR 2004 R million	Contribution per sector 2004 (Percentage)	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)	Growth 2003 – 2004 (Percentage)
Agriculture, forestry & fishing	224.5	33.4	1.4	0.6	1.0
Mining	7.8	1.2	-11.4	-2.5	2.0
Manufacturing	83.1	12.4	-1.9	-0.8	4.1
Electricity & water	5.2	0.8	1.8	2.0	4.1
Construction	20.5	3.1	-1.9	-1.3	-1.6
Wholesale & retail trade; catering & accommodation	102.4	15.2	3.6	3.6	7.3
Transport & communication	52.4	7.8	3.3	2.5	0.6
Finance & business services	75.1	11.2	-0.5	0.7	-0.5
Community, social & other personal services	12.0	1.8	0.3	-0.2	-1.4
General government services	88.5	13.2	-1.1	0.2	-0.0
Total	**671.5**	**100.0**	**0.3**	**0.9**	**1.8**

Own calculations, Quantec data 2006

Agriculture, Forestry & Fishing

In 2004, Agriculture, Forestry & Fishing sector was the largest of the sectors, with diverse activities such as livestock farming (including milk), wheat, potato, fruit, and wine farming, horse breeding, rooibos tea, buchu, flowers (proteas) for export and commercial waterblommetjie sales. The fishing sector includes deep-sea fishing, crayfish, pelagic sector, linefish and mariculture.

The sector grew at 1,4 per cent between 1995 and 2004. However, over a one year period the sector grew even slower (1,0%) in 2004, which is a source of concern.

Despite the water shortages experienced in the Western Cape, and the general stress in the sector, the sector's importance in Bergriver's economy has increased. The sector remains an important pilalr of the region.

Wholesale & retail trade; catering & accommodation

The Wholesale & Retail Trade; Catering & Accommodation sector was the second largest in the Municipality. This sector includes tourist activities. Tourism is strongly linked to the natural environment, and the growth of tourism sector activities would depend on the preservation of the natural environment.

Over the last decade it has also been the fastest growing sector within the Municipality, growing at an average annual rate of 3,6 per cent between 1995 and 2004. During the most recent year, 2004, the sector grew faster at 7,3 per cent. It is still unclear whether this growth will be sustained or increased beyond 2006, given the recent change in interest rate outlook.

Manufacturing

The manufacturing sector in Bergriver is also one of the larger sectors, contributing 12,4 per cent (or R83,1 million) to total GDPR. The Tress Index[5] was 66, reflecting a relative concentration of sub sectors within Manufacturing.

Manufacturing activity is concentrated mainly in two sub-sectors, Foods Beverages & Tobacco (38,1%) and Other Non-metal Mineral Products (28,4%). A large part of the Manufacturing sector (Foods) is directly linked to the size of the agricultural sector.

[5] The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 reflecting complete diversification and 100 reflecting total concentration (i.e. one industry or monopoly). This is applied here to test diversification within the manufacturing sector.

Table 2: Manufacturing subsectors 2004

Manufacturing Subsectors 2004	Rand million	Percentage	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)
Food, beverages & tobacco	31.7	38.1	-3.6	-3.7
Textiles, clothing & leather goods	0.5	0.6	-4.5	-6.1
Wood and paper; publishing & printing	3.9	4.6	-4.4	-3.8
Petroleum products, chemicals, rubber & plastic	7.7	9.2	2.7	5.2
Other non-metal mineral products	23.7	28.5	-2.8	-5.8
Metals, metal products, machinery & equipment	3.8	4.6	3.1	1.6
Electrical machinery & apparatus	0.0	0.0	0.0	0.0
Radio, TV, instruments, watches & clocks	0.0	0.0	0.0	0.0
Transport equipment	6.8	8.1	4.7	4.9
Furniture & other manufacturing	5.1	6.2	1.8	1.7
Total	**83.1**	**100.0**	**-1.9**	**-0.8**

Own calculations, Quantec 2006

Over the last decade (between 1995 and 2004), Bergriver's manufacturing sector has declined at an average annual rate of 1,9 per cent. It is encouraging that in 2004 growth was at 4,1 per cent, but as is the case with the Wholesale & Retail Trade sector, it remains to be seen if this can be improved upon.

Transport & Communication

Bergriver is linked to other areas by a few major roads, namely the N7 that runs to Cape Town and Springbok, the R27 to Vredenburg and Langebaan and the R44 to Tulbagh and Wellington. Although there is a good road network, there is a need for some of them to be upgraded[6].

In addition to the roads, it is also linked via railway by two lines that run through from north to south and so ensures the connection with the Cape Metropole. A third line stretches from the south to the Porterville area.

The Transport & Communication sector was the second fastest growing sector with an average annual rate of 3,3% between 1995 and 2004. Its contribution to GDPR in 2004 was 7,8 per cent. When disaggregating the Transport & Communication sector into sub-sectors, Transport contributes 80 per cent and Communication contributes only 20 per cent.

[6] Berg River IDP.

Non-performing sectors

Mining

The mining sector in Bergriver is small, contributing only 1,4 per cent (or R7,8 million) to its GDP in 2004. The types of mining include cement production at De Hoek (about 5 km from Piketberg) and salt-mining at Velddrif.

Construction

From 1995 to 2004, the construction sector declined by 1,9 per cent per annum. Construction contributed 3,1 per cent toward Bergriver's total GDPR in 2004.

Finance & Business Services

The Finance & Business services sector, worth R75,1 million in 2004, contributed 11,2 per cent to Bergriver's economy. Although the average annual growth had been negative between 1995 and 2004 at negative 0,5 per cent, it turned around between 2000 and 2004, to put on a positive performance, though still at weaker levels. This was probably driven by the regional economy's relative strength.

Demographic Profile

In 2006, Bergriver has an estimated projected population of 54 568, accounting for 17 per cent of the population of the West Coast District. Between 2001 and 2006, Bergriver's population increased from 48 076 to 54 568, at an average annual rate of 2,6 per cent. Population growth is projected to decline only slightly between 2006 and 2010 to 2,5 per cent.

The Municipality's population is predominantly Coloured (74%), while the Whites forms 19 per cent and Africans 6 per cent of the total in 2006.

Bergriver has a relatively large rural population (39,3%), making it one of the largely rural municipalities within the District, which had an estimated 30,1 per cent of households residing in rural areas.

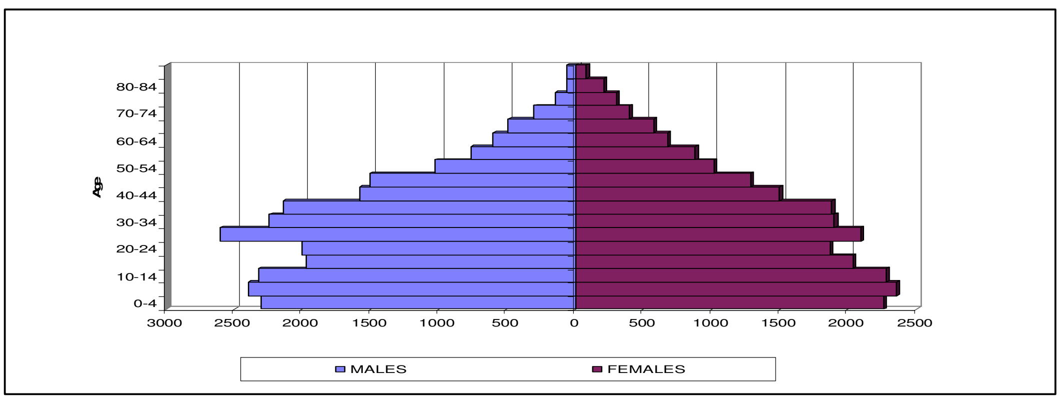
Table 3: Rural and urban households, 2001

	Total number of households	Number of rural households	Rural households (Percentage)	Rural households (Percentage of District)	Number of urban households	Urban households (Percentage)	Urban households (Percentage of District)
West Coast District	73 444	22 115	30.1	20.54	51 329	69.9	4.8
Bergriver	11 707	4 601	39.3	20.80	7 106	60.7	13.8

Demarcation Board (Census 2001 data)

Bergriver has a youthful population with a median age of 28, just one year above the median age of the District. It is reflected in the large child population (between the ages of 0 and 15 years) as well as a large population of those in the 25 to 35 year age group.

Figure 3: Bergriver population pyramid, 2006

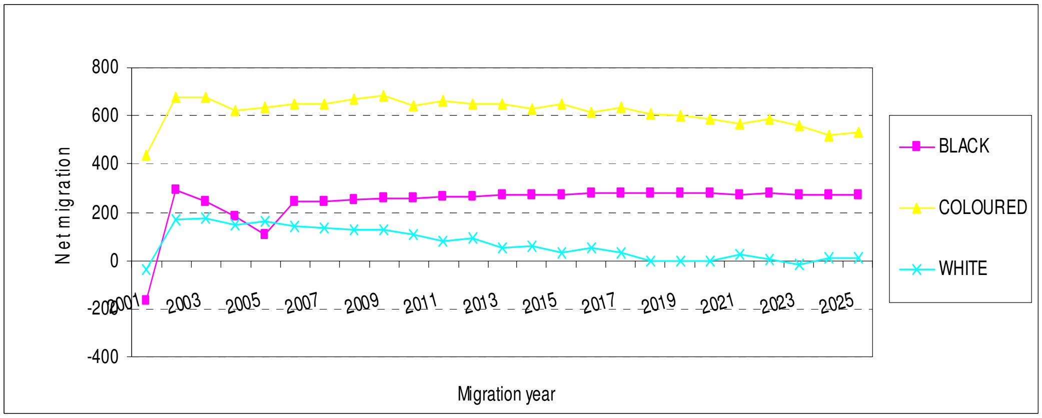


CARE 2005

Bergriver's dependence ratio[7] is projected to be slowly changing, moving slightly lower from its 2001 ratio of 0,52 to reach 0,51 in 2006. The projected dependence ratio remains at 0,51 in 2010.

[7] The dependence ratio is calculated as the number of 0-14 year olds plus the number of 65 year olds and older, divided by the number of people in the 15-64 year old age cohort. This is to give a rough indication of dependence, but it should be noted that it

Figure 4: Projected net migration – Bergriver, 2001 - 2025



CARE 2005

Migration figures from the CARE 2005 model shows total net migration into Bergriver at 234 in 2001, picking up sharply in 2002 to 1 138, stabilising around the 1 000 mark up to 2012 and slowly declining thereafter. When looking at 2006 migration trends by population group, we see the majority of in-migrants being Coloured (646), followed by Africans (241) and Whites (139). Coloured in-migration is to remain the highest of all population groups across the projection period (2001 – 2025), expecting to remain above 600 up to 2018 and continuing above 500 till 2025.

In-migration by Africans is projected to show a slight increase over the projection period, moving from 241 to 280. White in-migration is projected to gradually decline over the period from 139 in 2006 to 111 in 2010.

Employment trends

The labour market section discusses key trends in the labour market between 1996 and 2001 based on Census information. In 2001, Bergriver's labour force represented roughly 45 per cent of its total population.

Bergriver Municipality's working-age population[8] (people between the ages of 15 and 64) is estimated at 36 120, or 66,2 per cent of its total population in 2006. This is expected to grow at a rate of 2,6 per cent a year over the next four years, reaching 39 984 in 2010.

Table 4: Bergriver labour market information, 1996 and 2001

	Employed	Employed (Percentage)	Unemployed	Unemployed (Percentage)	Labour force	Labour force participation rate (Percentage)	Not economically active	Total pop 15-65 years
1996	14 595	93.3	1 044	6.7	15 639	70.0	6 693	22 332
2001	19 793	92.4	1 629	7.6	21 422	68.2	9 996	31 418

Statistics South Africa, Census 1996, 2001

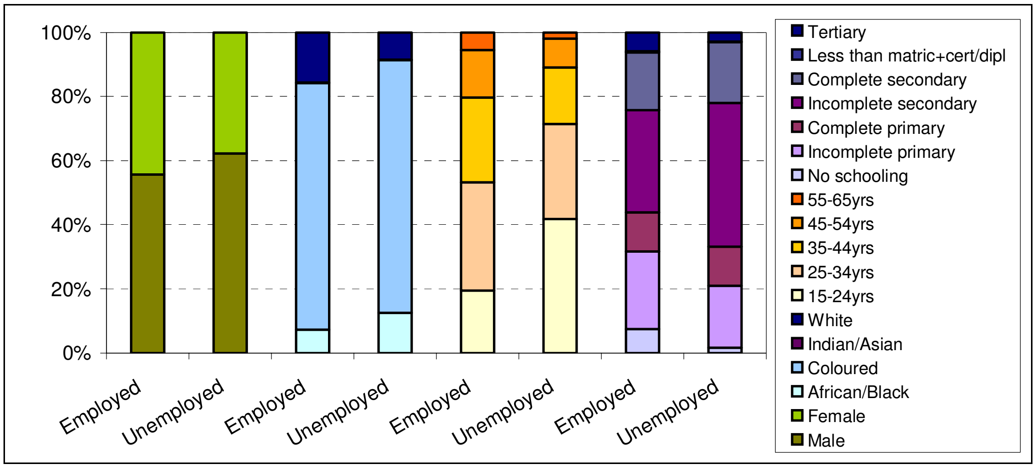
Drawing from census data, labour force participation declined slightly from 70 per cent to 68,2 per cent between 1996 and 2001 (Table 4). The number of people employed increased to 19 793, while the

is not linked to labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

[8] ASSA2003 Model projections, Centre for Actuarial Research 2005.

number of unemployed increased to 1 629 in 2001. The number of unemployed increased by 0,9 per cent to 7,6 per cent in 2001.

Figure 5: Bergriver's employed and unemployed, 2001

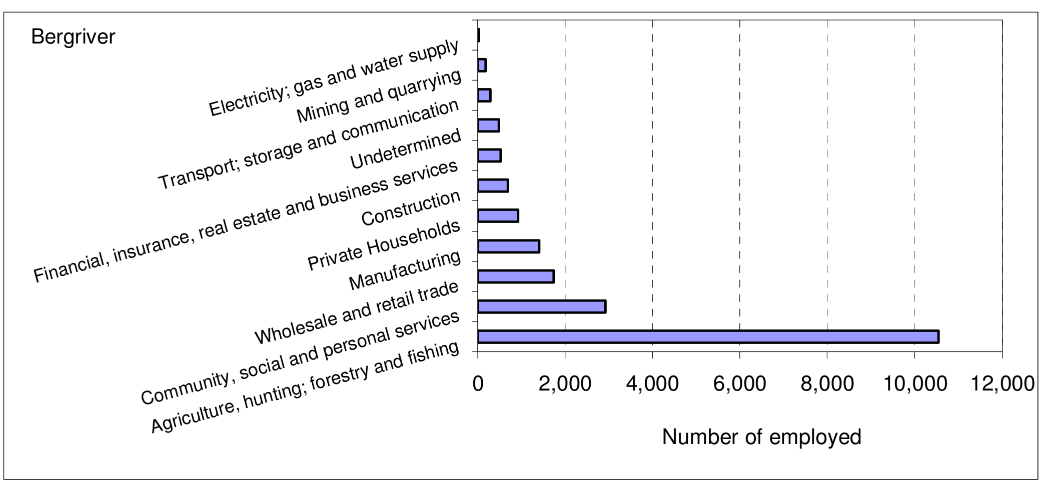


Statistics South Africa, Census 2001

Males, coloureds and the youth (aged 15-24) are proportionally over-represented amongst the unemployed. Whites are proportionally over-represented in the employed group.

The majority of the employed population (75,7%) had not yet completed secondary education. The trend indicates both the level of education in the area as well as the skill level of economic activity (low to semi-skilled).

Figure 6: Bergriver Employment Numbers by Sector, 2001



Statistics South Africa, Census 2001

In 2001, the Agriculture, Hunting, Forestry & Fishing sector was by far the major employer, accounting for 53,3 per cent of all jobs in the Municipality. The Community, Social and Personal Services (14,8%), Wholesale & Retail Trade (8,8%) and Manufacturing (7,2%) sectors also made significant contributions to employment.

Access to services and household well-being

Shared or broad-based growth requires that poor people gain access to tangible assets, such as land, housing, water, energy, sanitation, transport and credit, or intangible assets, such as education, health, and personal safety.

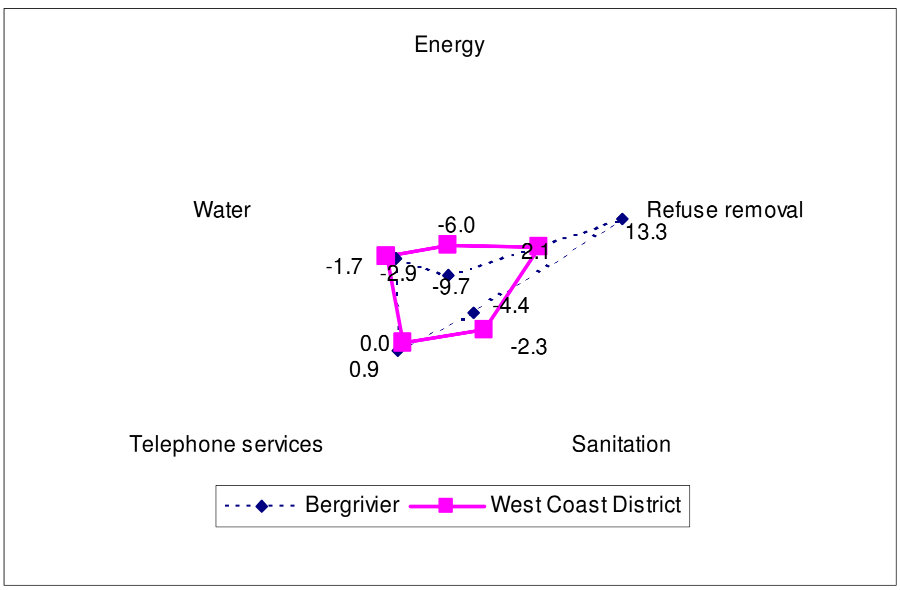
Indicators that measure access to basic services (energy, water, refuse removal, telephone services, sanitation), access to social services (education, health care and policing), access to income-generating activities and, where available, attendant socio-economic well-being, such as educational attainment, health status, crime levels, income distribution and poverty levels, depict the quality of life that the average citizen experiences.

Basic service provision[9]

Access to basic services has considerable influence on the standards of living and quality of life of people living in Bergriver. A comparison was made between Bergriver Municipality and the West Coast District on five measures of basic services, namely energy, water, refuse removal, telephone services and sanitation (Figure 7).

Figure 7 shows households with below basic services, i.e. the number or proportions of households shown are only the households who lack adequate basic services. The negative sign indicates an improvement in access to the services concerned. The changes in access to basic services are for census periods between 1996 and 2001.

Figure 7: Percentage change in households with below basic access to services – Bergriver versus West Coast, 1996 & 2001



Statistics South Africa: 2001 Census – Community profile database, DBSA

[9] Less than basic access to services defined as: Energy - Gas, paraffin, candles and other; Refuse removal - own refuse dump, and no rubbish disposal; Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other; Telephone services -Telephone at another location not nearby and no access to a telephone; Sanitation - Bucket latrine, and none.

Between 1996 and 2001, Bergriver performed better in providing access to energy, sanitation, and water. Households with below basic access decreased. In energy it decreased by 482, and by 81 for sanitation and 175 for water. The total number of households increased by 4 406 between 1996 (8 889) and 2001 (13 295).

However, refuse removal in this period worsened considerably, with an additional 2 951 households with below basic access to this service, which is proportionally far worse (13,2%) than even the poor performance of the district (2.1%).

Table 5: Changes in access to basic services between 1996 and 2001: Bergriver

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Bergriver	Percentage change 1996-2001	-9.7	13.3	-4.4	0.9	-2.9
	Number of households (Change 1996-2001)	-482	2951	-81	321	-175
	Number of households with below basic access to services 2001	1 155	5 347	943	727	243

Statistics South Africa: 2001 Census – Community profile database, Development Bank of Southern Africa (DBSA)

Housing[10]

The housing backlog for Bergriver increased to 1 700 in 2004 from 711 in 2001. Bergriver Municipality has identified the need particularly for low income housing.

Access to education and educational attainment levels

Bergriver Municipality has 24 secondary and primary schools, representing 18,1 per cent of all schools in the West Coast District, and on average has a learner/educator ratio of 37, the same as that of the District.

Table 6: Education statistics

	Bergriver Municipality	West Coast District
Number of schools (primary and high)	24	133
Percentage of people over 14 illiterate (less than Grade 7)	30	29
Educator learner ratio	37	37

Western Cape Education Department, 2006

[10] Department of Housing (2004).

In Bergriver, 30 per cent of the population over 14 years has had less than 7 years of formal education, just slightly above the District average of 29 per cent. Even though the education attainment is similar to District proportions, the proportion of low-skilled occupations outstrips the District's proportion. Bergriver's proportion was 59,3 compared to the District's 51,2 per cent.

According to Census 2001, about 9,7 per cent of the population in Bergriver had no schooling. This is slightly worse than the District average of 9,2 per cent as well as the Provincial average of 5,7 per cent. About 23,3 per cent of individuals in Bergriver did not complete primary school education, as compared to 21,7 per cent for the District.

In general, education outcomes in Bergriver are similar to those of the District. The percentage of matriculated in Bergriver municipality was 18,1 per cent compared to 18,5 per cent for the district (6,7% for the province) and the percentage "higher education" was 6,3 per cent compared to the district of 6,7 per cent (11,2% for the province).

Table 7: Highest education level grouped for 20+ ages, 2001

	Bergriver	Percentage	District	Percentage
No schooling	2 903	9.7	16 177	9.2
Some primary	6 967	23.3	38 167	21.7
Completed primary	3 209	10.7	18 511	10.5
Some secondary	9 581	32.0	58 561	33.3
Grade 12/Std 10	5 407	18.1	32 440	18.5
Higher	1 876	6.3	11 855	6.7

Statistics South Africa, Census 2001

Access to health services and health status

Health indicators revealed that the proportion of children under the age of 1 year with first measles immunization was 87 per cent. TB prevalence stood at 969 for every 100 000 people, with a cure rate of 75 per cent. For both immunisation and TB cure rates, the national targets of 90 and 85 per cent were not met. However, the Municipality came close to meeting the patient/nurse ratio target of 34. The patient nurse ratio is currently at 35 patients per nurse.

According to the population projection model, HIV prevalence is projected to increase from 1,6 per cent to 2,6 per cent in 2005 and 3,6 per cent by 2010 (ASSA2003 Model, CARE 2005).

AIDS related deaths are projected to increase from 26 in 2001 to 56 in 2005 and to 114 in 2010. As a proportion of total deaths, it increases from 6,1 per cent (2001) to 10,8 per cent (2005) to 17,6 per cent (2010). The Bergriver IDP has recognised the need for a programme of action for prevention of the spread of HIV and AIDS.

Table 8: Health measures

	Bergriver Municipality	West Coast District	National Health Targets
Number of medical facilities	15	74	
Nurse-patient workload per day	35	40	34
Percentage births under 2.5 kg	24%	16%	Less than 10%
Proportion of under 1 year olds with 1st measles immunisation	87%	88%	90%
TB prevalence rate per every 100 000	969	1 214	
TB cure rate	75%	73%	85%
HIV/AIDS prevalence 2005	2.6	3.2	
Number of AIDS deaths 2005	56	425	
HIV/AIDS prevalence 2010	3.6	4.3	
Number of AIDS deaths 2010	114	807	

Department of Health (2005); CARE 2005

Access to policing services and crime status

While the total number of crimes declined steadily, some categories (particularly drug-related crime) have shown large increases in recent years. The number of murders and rapes has declined between 2002/2003 and 2004/2005, while cases of neglect and ill-treatment of children fluctuated.

Drug-related crime surged from 299 to 954 between 2003/2004 and 2004/2005. While there are police stations in the larger towns, the smaller towns have a need for these services[11]. During the public engagements in the IDP process, the public expressed a need for greater visibility in policing.

Table 9: Reported crime statistics

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	32	23	19
Rape	65	66	44
Neglect and ill-treatment of children	4	9	3
Drug-related crime	299	512	954
Total number of reported crimes	3 111	2 905	2 697

SAPS, 2005

[11] Berg River IDP.

Indicators of well-being: Human Development Index (HDI), City Development Index (CDI), Provincial Index of Multiple Deprivation (PIMD)

For Bergriver, both the HDI and CDI do not compare favourably with the Province and the District. The HDI for education was 0,55 compared to the Province's 0,68. The CDI components of waste (0,67), education (0,79) and infrastructure (0,74) were particularly low compared to the provincial figures of 0,89, 0,86 and 0,79, respectively, on these components.

Table 10: Human and City Development Indices and component scores

	Bergriver Municipality	Western Cape Province
HDI (and components below)	0.66	0.72
Health	0.68	0.63
Income	0.74	0.84
Education	0.55	0.68
CDI (and components below)	0.70	0.81
Infrastructure	0.74	0.79
Waste	0.67	0.89
Health	0.69	0.68
Education	0.79	0.86
Income	0.76	0.82

Department of the Premier (2005)

According to the Provincial Index of Multiple Deprivation (PIMD) the wards in the Matzikama area are comparatively more deprived than other wards in the Western Cape. Most of them (57%) fell within the most deprived wards in the Western Cape. The spread for the overall PIMD as well as its component parts are shown in the Table 11.

When ranking all 332 Western Cape wards, Bergriver featured two wards (ranked 11 and 18) in the 25 most deprived on education and one ward (ranked 20) in the 25 least deprived on employment. The greater proportion of Bergriver's wards, with the exception of the employment index, was found within the most deprived 50 per cent of wards in the province.

Table 11: Percentage of wards that fall within each quartile of wards in the Western Cape on the various Deprivation Domains, 2001 – Bergriver

Domain	Percentage of wards in least deprived 25%	Percentage of wards in least deprived 25-50%	Percentage of wards in most deprived 25-50%	Percentage of wards in most deprived 25%
Overall PIMD	0	29	71	0
Income	14	29	43	14
Employment	43	57	0	0
Education	14	0	43	43
Health	0	14	57	29
Environment	14	29	43	14

Noble, M., Barnes, H., Noble, S., Ntshongwana, P. and Wright, G. (2006) The Western Cape Provincial Index of Multiple Deprivation 2001, University of Oxford, UK

Access to income generating activities and income distribution and poverty levels

There are numerous ways and means to generate income, whether it is formal or informal employment, through wage income or self-employment, or for those on the lower end of the income spectrum, through access to the government's extended public works employment programme or social security grant system.

Formal employment and skill level distribution[12]

Although education levels of Bergriver were similar to those of the District, its employment skills profile showed it to be worse off with a larger proportion of its workforce in low-skilled and skilled occupations.

In terms of skill category, 9,1 per cent of the employed are highly skilled, 36,6 per cent skilled and 59,3 per cent in low-skilled occupations. The proportion of low-skilled occupations was the second highest in the District, after Cederberg's 64,5 per cent.

Table 12: Skill level of the employed, 2001

	District	Bergriver
Highly skilled	12.3	9.1
Skilled	36.5	31.6
Low skilled	51.2	59.3

Statistics South Africa, Census 2001

[12] Highly skilled - Legislators, senior officials and managers, professionals, technicians and associate professionals; Skilled – Clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, plant and machine operators and assemblers; Low skilled – Elementary occupations. Unknown occupations were excluded from calculations.

Social grants[13]

Social grant payments are social payments to individuals on the basis of specific needs and on the basis of having specific characteristics, e.g. one of the old-age grant specifications is the minimum age limit. Social grants supplement income for those vulnerable and in need and lift households with no income out of abject poverty.

Table 13: Social grants data 2005

Bergriver	Average number of recipients (monthly)	Proportion of total recipients	Proportion Of total recipients West Coast District	Average monthly value of grant[14]	Total value of grants paid (monthly in Rand)
Old age	118	33.60	29.28	731.37	86 058
Disability	85	24.36	24.03	847.90	72 354
Foster care	12	3.47	3.62	785.48	9 557
Care dependency	3	0.79	1.06	740.00	2 035
Child support	126	35.86	39.81	235.42	29 565
Grant-in-aid	6	1.64	2.07	163.91	943
All other grants	1	0.29	0.13		
Total grants	350	100.00	100	575.51	201 571

SASSA, 2006

The average number of grants paid monthly during 2005 in Bergriver was 350. The largest proportions of grant payments were for child support grants (35,9%), only slightly ahead of the old-age grants (33,6%) and followed by disability grants (24,4%).

Income distribution and poverty levels

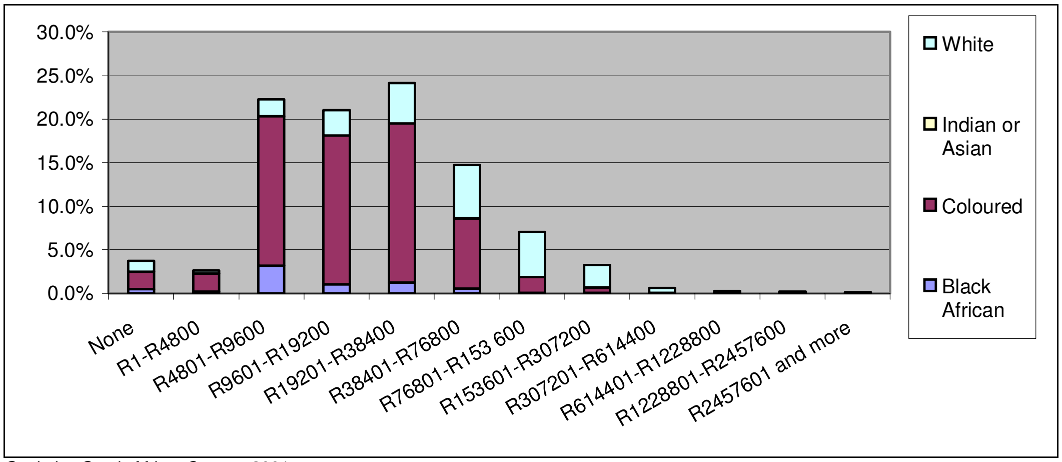
The well-being of the individuals and households is discussed here with reference to access to household income and basic and social services. The information on basic services was derived from the 1996 and 2001 census. Although it is five years on from the last census, it gives an indication of the level and changes in access in the inter-census period.

[13] South Africa South Security Agency 2006, ALLPAY annual data for 2005. Only represents payments made at ALLPAY stations.

[14] The grant amount may be different from the monthly amount given to each beneficiary owing to the following reasons provided by SASSA 2006:
Lump sum for the beneficiary due to the date the grant was put in payment versus the application date.
Lump sum for the beneficiary due to previous month's grant being uncollected.
Lump sum for the beneficiary due to re-instatements
Yearly beneficiary uptake (new applications)
Yearly paypoint transfers (movement of beneficiaries between paypoints)

Household Income

Figure 8: Bergriver- Income Distribution by Population Group, 2001



Statistics South Africa, Census 2001

The majority of households (82,2%) in Bergriver have incomes of between R4 801 and R76 800 per annum (R400 to R6 400 per month). The 3,7 per cent of households that have no income is lower than the District's 6,6 per cent. 2,7 per cent of all households earn between R1 and R4 800 (less than R400 per month). About 33 per cent of households are headed by females, while 7,3 per cent of households are headed by persons aged between 15 and 24.

Municipal Sustainability

This section discusses the political environment in the local government area. It also attempts to determine the sustainability of local government by looking at its revenue generation capacity and debtor and creditor systems.

Political governance

Table 14: Municipal election results, 2000 and 2006

Political party	Total Seats	
	2006	2000
African Christian Democratic Party	0	0
African National Congress	6	6
Democratic Alliance	6	7
Independent Democrats	1	0
Independents	0	0
United Democratic Movement	0	0
Total number of seats	**13**	**13**

Own representation based on IEC data

In the 2006 Local Government Elections, out of the available 13 seats, the ANC and the DA each won 6, with the ID claiming the remaining one. In 2000, the seats went 6 – 7 to the ANC and the DA, respectively.

Revenue generation

Total municipal revenue for Bergriver Municipality for the 2006/2007 financial year is budgeted at R108,7 million. Own revenue constitutes the largest part of the total (R60,1 million or 55,36 per cent). Revenue growth over the MTREF is projected at an average annual rate of 4,1 per cent.

Table 15: Overall municipal revenue

Source	Adjusted Budget		Budget	Medium Term estimate	Growth	
R'000	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTREF
Transfers	**19 695**	**24 528**	**16 273**	**15 322**	**24.5%**	**-8.0%**
National transfers	14 404	17 458	13 685	12 734	21.2%	-4.0%
Provincial transfers	2 304	5 510	2 588	2 588	139.1%	4.0%
Municipal transfers	2 987	1 560			-47.8%	-100.0%
Unclassified						
Main sources of own revenue	53 380	60 179	65 277	69 458	12.7%	9.2%
All other sources of revenue	17 226	23 995	23 748	17 042	39.3%	-0.4%
Total	**90 301**	**108 701**	**105 297**	**101 822**	**20.4%**	**4.1%**

Calculated by Provincial Treasury, Fiscal Policy Unit based on Saldanha Bay: Final Budget 2006 MTREF

The Municipality's own revenue is mainly from three sources, namely electricity (46,3%), property rates (30,2%) and water (13,1%) for the 2006/2007 financial year. Other sources are sanitation (4,1%) and refuse removal (5,8%).

Table 16: Main sources of own revenue

R'000	Adjusted Budget 2005/06	Budget 2006/07	Medium Term estimate 2007/08	2008/09	Growth 05/06-06/07	MTREF	Tariff increase 06/07
Property rates	30.3%	30.2%	30.2%	29.9%	12.8%	8.7%	10.0%
Electricity	47.0%	46.3%	46.5%	47.3%	11.6%	9.6%	6.5%
Water	12.9%	13.1%	12.9%	12.7%	15.1%	8.6%	7.5%
Sanitation	4.3%	4.1%	3.9%	3.6%	8.1%	3.4%	7.5%
Refuse removal	5.1%	5.8%	6.1%	6.1%	29.1%	16.1%	29.0%
Other	0.4%	0.4%	0.4%	0.4%	10.9%	8.0%	
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**13.2%**	**9.3%**	

Calculated by Provincial Treasury, Fiscal Policy Unit based on Saldanha Bay: Final Budget 2006 MTREF

Total own revenue over the MTREF is expected to grow at an average annual rate of 9,3 per cent, with high growth of 16,1 per cent especially in refuse removal. The tariff growth for refuse removal services is extremely high, at 29 per cent in 2006/7. The only service that averaged growth under 5 per cent over the MTREF is sanitation.

In order to secure this revenue, the Municipality needs systems and internal capacity to be in place to ensure collection for these services. The norm period for debtor collection is 42 days. For the 2003/4 financial year, Bergriver's ratio was 100 and it has worsened to 108 in 2004/5.

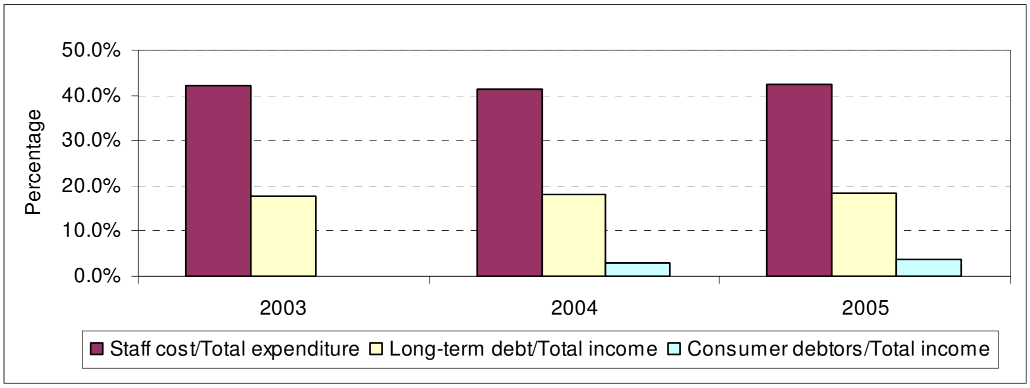
Debtors' analysis at the end of February 2005/6 showed a total debt amount of R18,1 million, with 56 per cent of debt over 90 days old. Local government needs to ensure collection to ensure that it has sufficient resources for service delivery. It is clear that debtors levels are well above the norm and that the Municipality would need to address this to secure revenue that it needs to meet its service delivery obligations.

Financial ratios

The following section reviews Bergriver Municipality's financial ratios. Figures are only available for 2003, 2004 and 2005.

Staff cost as a proportion of total expenditure remained relatively constant at around the 42 per cent mark. The ratio is, however, above the 35 per cent norm. The long-term debt ratio as a proportion of income has also remained fairly stable, creeping upward over the period from 17,7 per cent in 2003 to 18,6 per cent in 2005. Consumer debt as a proportion of total income remained below 5 per cent over the period.

Figure 9: Financial ratios



NCA, 2005

Unsustainable ratios in terms of high staff cost, long-term debt and consumer debt all impact on the service delivery ability of the Municipality through availability of resources for service delivery.

Conclusion

Bergriver is characterised by unemployment, low growth and low incomes, inadequate access to basic services and high illiteracy. These indicators do not bode well for the social welfare.

More constraining is the slow growth in labour absorptive sectors and the over-dependence on agriculture, which has been stagnating of late. The average annual growth in Agriculture, Hunting, Forestry & Fishing was low at 1 per cent in 2004.

A large proportion of the households' income levels is still low, with 28,6 per cent earning a household monthly income of R800 or less; this includes 3,7 per cent of all households that have no income. An additional 45,1 per cent of households earn between R800 and R3 200.

In terms of access to basic services, delivery in refuse removal systems, energy and sanitation needs to be addressed. There are some areas that still have the bucket system.

The housing backlog also needs to be addressed and in relation to other municipalities in the District, it has grown the fastest (by more than doubling from 711 to 1 700) between 2001 and 2004.

Escalating drug-related crimes in recent years is another problem that needs to be addressed with a sense of urgency.

5

Saldanha Bay Municipality

Major areas

Blouwater Bay
Chris Hani Park
Diazville
Hopefield
Jacobsbaai
Koperfontein
Laingeville
Langebaan
Louwville
Middelpos
Paternoster
Saldanha Bay
Sandy Point
St Helena Bay
Stompneus Bay
Timber City
Vredenburg
White City

Real GDPR (2004)	:	R1,9 million
Total population (2006)	:	81 121
Urban /rural	:	94,4% : 5.6%

Introduction

The Saldanha Bay Municipality is located on the West Coast of South Africa within the Western Cape, just north of the City of Cape Town. It shares borders with the Northern Cape Province and the Cape Winelands District Municipality in the north and east.

Saldanha Bay Municipality is a category-B municipality[1] and classified as a high-capacity municipality that falls within the West Coast District Municipality region (category-C municipality).

Saldanha Bay is home to the Naval Training Base and the South African Military Academy, while Vredenburg serves as the business and administrative centre of the Saldanha Bay Municipality. Other towns include Hopefield, Langebaan, Paternoster and St Helena Bay.

Its contribution to the district GDPR per sector was particularly strong in the Transport & Communication (54,5%), Manufacturing (47,9%) and Construction (38,4%) sectors within the district.

The largest sectors within the municipality in 2004 were Manufacturing (29,5%), Transport & Communication (14,9%), the Wholesale & Retail trade; Catering & Accommodation (14,7%), with a relatively smaller contribution from the Agriculture, Forestry & Fishing sector (11,9%) compared to other municipalities in the district[2] .

Tourism and fishing-sector activities are also strong. In addition, Saldanha Bay has a well-developed iron-ore export facility at the harbour for iron-ore exports from the Northern Cape. In 2004, Saldanha Bay Municipality had the largest economy in the district, accounting for 33,5 per cent of the district's total regional gross domestic product (GDPR).

The Saldanha Bay municipal area boasts of exquisite natural beauty, with the Atlantic Ocean in the west, the lagoon, the wild flowers during the flower season from August to September, dolphin and whale watching and bird watching. The West Coast National Park and the Fossil Park are also found in the area.

Saldanha Bay has a high development index that is supported by its strong transport and communication role as a harbour and railway node.

Population projections for 2006 show Saldanha Bay Municipality to have the largest population in the West Coast District.

Historically, Swartland Municipality had the largest population but has been overtaken by Saldanha Bay Municipality, which grew at an average annual 2,60 per cent compared to Swartland Municipality's 1,4 per cent between 2001 and 2006. Vredenburg has a low human-needs ranking.

[1] A category-B municipality is defined as a municipality that shares executive and legislative authority in its area with a category-C municipality within whose area it falls.

[2] For the 2004 GDPR

Saldanha Bay Municipality: Social trends and indicators

Total population:	(2001):	71 341	Number of wards	: 10
	(2006):	81 121	Urban, rural split	: 94.49%,5.6%
	(2010):	88 656	Population density	: 39.3 km^2

Population growth rate	
2001-2006 (average annual %)	2.60% (2.38%)*
2006-2010 (average annual %)	2.25% (1.95%)

Demarcation Board, CARE 2005

Socio-economic indicators

	Saldanha Bay (District)
GDPR growth rate 2004	4.4%
Unemployment rate 2001	21.4% (13.8%)
Number of unemployed 2001	6 820 (17 175)
Proportion of households with no income	10.9% (6.6%)
Number of households with no income	2 060 (5 141)

Statistics South Africa, Census 2001

Health			
Number of medical facilities	12 (74)	Nurse/patient ratio (National target: 34)	57 (40)
Percentage births under 2.5 kg (National target: < 10%)	14 (16)	Proportion under 1 with 1st measles immunisation (National target: 90%)	86 (88)
TB prevalence per 100 000 people	1 062 (1 214)	TB cure rate % (National target: 85%)	76 (73)
HIV/AIDS prevalence rate (2005)	4.3% (3.2%)	HIV/AIDS prevalence rate (2010)	5.5% (4.3%)
Number of HIV/AIDS deaths (2005)	150 (425)	Number of HIV/AIDS deaths (2010)	282 (807)
Education			
Number of schools (primary and high)	19 (133)	Educator/learner ratio	38 (37)
Percentage of illiterate people over 14 (less than grade 7)	21 (29)		
Crime (reported)			
Number of police stations (2004/05)	5 (26)	Total number of cases reported (2004/05)	6 687 (21 642)
Number of murders (2004/05)	45 (164)	Number of rapes (2004/05)	95 (456)
Drug-related crimes 2002/03	285 (1 617)	Drug-related crimes 2004/05	613 (3 480)

SAPS (2005), Department of Health (2005), WCED (2005)

Strengths	**Challenges**
Investment and economic development potential	Growing unemployment and crime
Regional export hub	No FET collages to support growing industrial development
Potential for further investment opportunities	High health-care workload
Western growth node	Low rate of capital expenditure and maintenance of assets
Economic diversification	Housing backlog and low quality of life
	Weak debtors control

** District comparisons*

Economic outlook

Saldanha Bay Local municipality (LM) has developed into the largest industrial centre along the West Coast. There is growth potential in the downstream steel-Manufacturing sector and the oil and gas industry, mari-culture (mussel farming) and sea-grass farming initiatives.

Saldanha Bay has sufficient land for future expansion and there is additional potential provided by land-use densification. Saldanha Bay Municipality's Integrated Development Plan (IDP) recognises the importance of the port, transport links and the coastline as major assets that can be used as catalysts for growth.

A focus on these as key economic driving forces is put forward in the IDP, in particular on the Saldanha harbour development (to become complementary to that of Cape Town) and the expansion of existing transport links, especially with Cape Town and Atlantis, as well as focused waterfront developments. A possible waterfront development that could boost the tourism industry is also on the cards.

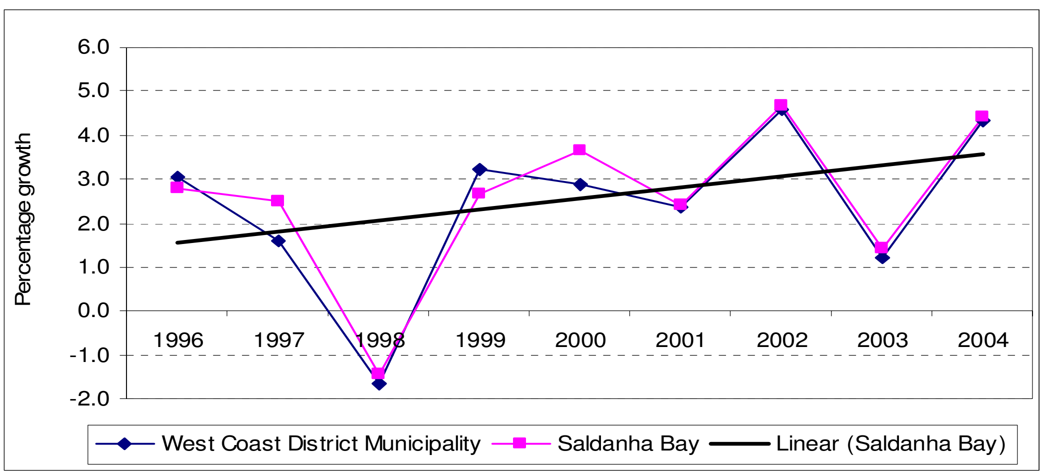
Other key economic driving forces identified are a public-works programme, business-support programme and skills-development programme with specific focus on the harbour economy, specific Manufacturing industries and the service sector.

Vredendal and Saldanha Bay are located in close proximity to each other, where growth is reinforced by their mutual interaction.

In respect of local economic performance, Saldanha Bay Municipality's GDPR reached R1.9 billion in 2004, measured at constant 2000 prices. It contributed 33,5 per cent of total GDPR to the West Coast District economy, the largest contributor, followed by Swartland Municipality with 29,1 per cent.

The Saldanha Bay LM economy grew in line with the West Coast district municipality (Figure 1). However, growth over the period was volatile, with a steep dip in 1998.

Figure 1: GDPR growth trends: Saldanha Bay Municipality vs. West Coast District, 1996–2004



Own calculations, Quantec Research 2006

The region registered a growth rate of 2,6 per cent per between 1996-2004, higher than the district average of 2,4 per cent.

However, over the more recent five-year period (2000 to 2004), the average annual growth improved to 3,2 per cent. This is in line with the West Coast District (3.1%) growth rate but lower than the province (4,3%).

The latest available data suggest Saldanha Bay Municipality grew marginally higher (4,4%) than the district (4.3%) in 2004. The new data, due for release later in 2006, is expected to reflect a continued upswing in line with the country's buoyant economic performance in 2005.

Sectoral trends and contribution to GDPR[3]

Saldanha Bay Municipality's economic activity is spread across a number of sectors, the largest being:

- Manufacturing (29,5%);
- Transport and Communication (14,9%);
- the Wholesale & Retail trade, and Catering and Accommodation (14,7%); and
- Agriculture, Forestry and Fishing (11,9%).

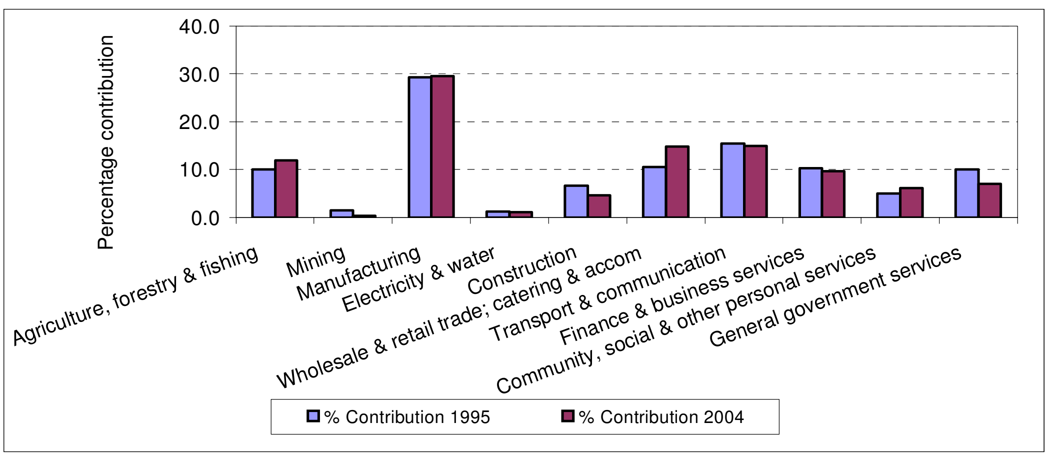
Collectively, these sectors contributed about 71 per cent of the Municipality's economic output in 2004.

Comparative performance: 1995 and 2004

Manufacturing, the largest sector in Saldanha Bay, registered a growth rate of 7,7 per cent in 2004. In 1995 and 2004 (Figure 2), the largest shift was experienced in Wholesale & Retail trade; Catering & Accommodation, with its share of the total increasing from 10,6 to 14,9 per cent.

Between 1995 to 2004, the fastest growing sectors in Saldanha Bay Municipality were the Wholesale& Retail trade; Catering & Accommodation (6,4%), Community, Social & other Personal services (4,8%) and Agriculture, Forestry & Fishing (4,5%).

Figure 2: Sectoral contribution to GDPR, 1995 and 2004
Own calculations, Quantec Research 2006



Over the most recent five-year period (2000 to 2004), faster growth was noted in the Wholesale& Retail trade; Catering & Accommodation (6,7%), followed by Community, Social & other Personal services (4,1%) and the Manufacturing sector (3,9%), while growth in the Agriculture, Forestry & Fishing sector (3,7%) also remained strong.

Annual growth in the Wholesale & Retail trade; Catering & Accommodation climbed to 10,6 per cent in 2004 compared to 9,1 per cent for the district.

[3] This section is based on GDPR data from Quantec Research, unless noted otherwise.

Three sectors in Saldanha declined between 1995 and 2004, namely Construction, mining and general government services. These are the smaller sectors (particularly mining, which contributed only 0,4 per cent) within the municipality, contributing a combined total of 12,0 per cent to the GDPR in 2004. The Western Cape province is not, in any case, a mining economy.

Table 1: Saldanha Bay sectoral growth, 1995-2004

Industry	**GDPR 2004 Rand million**	**Contribution to GDPR per sector 2004 (Percentage)**	**Average annual growth 1995-2004 (Percentage)**	**Average annual growth 2000-2004 (Percentage)**	**Growth 2003-2004 (Percentage)**
Agriculture, Forestry & Fishing	224.7	11.9	4.5	3.7	4.0
Mining	6.8	0.4	-12.2	-3.2	1.3
Manufacturing	556.1	29.5	2.6	3.9	7.7
Electricity & water	20.1	1.1	1.9	2.3	4.5
Construction	87.2	4.6	-1.4	-0.7	-0.9
Wholesale& Retail ; catering & accommodation	277.9	14.7	6.4	6.7	10.6
Transport & Communication	280.9	14.9	2.1	1.5	-0.9
Finance & business services	182.7	9.7	1.8	3.0	2.4
Community, social & other personal services	115.5	6.1	4.8	4.1	2.9
General government services	132.5	7.0	-1.4	0.0	-0.3
Total	1 884.5	100.0	2.6	3.2	4.4
West Coast District	**5 398.0**		**2.4**	**3.1**	**4.3**

Source: Own calculations based on Quantec data 2006

Manufacturing

The level of diversification or concentration of industry is measured by the Tress Index[4]. Within Manufacturing, the Tress Index was 76, indicating a fairly concentrated economy.

The disaggregation of the Manufacturing sector (Table 2) shows the dominance of the metal (45%) and food (38.4%) subsectors. These two sectors alone account for over 80,0 per cent of Manufacturing.

With an estimated 70,0 per cent of South African fishing based on the West Coast[5], the large contribution from the foods subsector is driven largely by fishing and related processing. Export from the steel-Manufacturing plants near the port of Saldanha, shipped in from the mines in the Northern Cape, account for the high metals contribution.

Growth in the Manufacturing sector averaged 2,6 per cent between 1995 and 2004, increasing to 3,9 per cent in the more recent period between 2000 and 2004. The metals subsector – the largest of all the subsectors – accelerated over the period 1995 to 2004, growing at an average annual rate of 10,9 per cent. The foods subsector, the second largest, declined at an average annual rate of 2,1 per cent over the same period.

[4] The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 reflecting complete diversification and 100 reflecting total concentration (i.e. one industry or monopoly). This is applied here to test diversification within the manufacturing sector.

[5] Saldanha Bay Municipality Local Economic Development Strategy

Table 2: Saldanha Bay Municipality Manufacturing subsectors, 2004

Manufacturing subsectors 2004	Rand million	Percentage	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)
Food, beverages and tobacco	213	38.4	-2.1	-2.4
Textiles, clothing and leather goods	6	1.1	0.3	-1.7
Wood and paper, publishing and printing	14	2.5	-0.8	-0.8
Petroleum products, chemicals, rubber and plastic	22	4.0	5.6	8.1
Other non-metal mineral products	12	2.2	-4.2	-7.0
Metals, metal products, machinery and equipment	250	45.0	10.9	10.4
Electrical machinery and apparatus	2	0.4	4.5	6.7
Radio, TV, instruments, watches and clocks	7	1.2	4.1	2.7
Transport equipment	21	3.9	3.5	3.6
Furniture and other Manufacturing	7	1.3	-1.8	-1.7
Total	**556**	**100.0**	**2.6**	**3.9**

Own calculations based on Quantec data 2006

Transport & Communication

Transport & Communication[6] was the second-largest sector in Saldanha Bay Municipality, contributing R280,9 million (14,9%) to the total GDPR in 2004. Between 1995 and 2004, the sector grew at an average annual rate of 2,1 per cent. Average annual growth between 2000 and 2004 was lower at 1,5 per cent, indicating a slow-down in the sector.

Transport activities dominated the sector (at 91,0%), while Communication contributed approximatley 9,0 per cent. Transport activities included bus and tour-bus services, taxis, school buses, travel agents, the hiring of transport equipment and telephone and radio-communication services. These services facilitate mobility and access to opportunities for people. Irregular and unreliable public transport remains a cause for concern. In smaller towns, it is often absent.

Wholesale& Retail trade; catering & accommodation

This sector contributed R277,9 million or 14,7 per cent towards Saldanha Bay Municipality's total GDPR. As separate subsectors, the Wholesale& Retail trade contributed 89,7 per cent and Catering & Accommodation contributed 9,3 per cent.

The average annual growth for the whole sector (between 1995 and 2004,), was strong at 6,4 per cent, driven largely by the Wholesale & Retail trade subsector, with Catering & Accommodation increasing from 2000 onwards. On average, the annual growth for the sector remained strong between 2000 and 2004 at 6,7 per cent, with growth for 2004 climbing to 10,6 per cent.

Agriculture, Forestry & Fishing

Agriculture, Forestry & Fishing also increased its share from 10 to 11,9 per cent. Fish products, animal products, wheat products, vegetables and fruit dominated the Agriculture, Forestry & Fishing7 sector. In 2004, the sector as a whole, accounted for 11,9 per cent of the municipality's GDPR.

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[6] Information on transport and communication sector from Saldanha Bay Municipality Local Economic Development Strategy (October 2005)

[7] Information on agriculture, forestry & fishing sector from Saldanha Bay Municipality Local Economic Development Strategy.

This sector recorded firmer growth levels between 1995 and 2004, growing at an average annual rate of 4,5 per cent, but slowed to 3,7 per cent between 2000 and 2004.

Given that many in the coastal towns and settlements, such as Paternoster, Jacobsbaai, Saldanha Bay, Stompneus Bay and St Helena Bay, are reliant on the fishing industry for their livelihoods, this industry needs careful monitoring to ensure sustainability for future generations.

Economic infrastructure

In order to improve on economic performance Saldanha Bay Municipality must invest in economic infrastructure.

At the municipal level, investment in transport, housing, water and electricity-reticulation infrastructure, sanitation and refuse-removal facilities, as well as municipal roads, pavements, bridges and storm-water drains are critical to advancing economic development at the local level.

Transport

Saldanha Bay boasts a diversified transport network that includes roads, a railway system and a harbour. The transport infrastructure, in addition to other economic infrastructure, is a catalyst for growth.

Road

Transport links are well developed and take the form of road, rail, air and water access. The larger road networks running through the municipal area are the N7, R27 (the West Coast road) and R45. The N7 and R27 are the most important routes between Cape Town and the Saldanha Bay municipal area.

Rail

There are three rail linkages, two of which are dedicated to the transport of goods: iron ore between Saldanha Bay and Sishen (in the Northern Cape) and agricultural products and minerals between Bitterfontein and Cape Town. The third line serves for goods as well as tourist trips.

Air

The eight formal airfields (one used by the Air Force) are not all currently used to capacity. The biggest is the Saldanha/Vredenburg, with the terminal building earmarked for an upgrade.

Harbour

The deep see-harbour is also important in unlocking the export potential of Saldanha Bay, in particular steel exports.

Port of Saldanha Investment

In March 2006, Germany's MAN Ferrostaal announced major infrastructure investment plans in South Africa at the Oil Africa Conference. Together with partner Atlantis Marine Projects and other financial partners, it is to make a total investment of R216 million in major infrastructure development in the ports of Saldanha and Cape Town.

The investment in Saldanha is for the development of an offshore oil and gas-fabrication yard, while Cape Town's investment is for the development of a service and refurbishment hub.

Construction for these facilities is to be fast-tracked, with facilities expected to be operational within 10 months (from the date of announcement).

Indirect investment of relocating operational equipment from other parts of the country was calculated at an additional R1,5 billion.

Water

Potable-water availability, facilitated through appropriate municipal water-reticulation infrastructure, is critical to economic activity, housing development and an improved quality of life. Water was identified as a constraint across a number of sectors, including Agriculture, especially for wheat farmers.

Saldanha Bay Municipality's backlog in respect of access to potable water[8] declined from 245 to 229 households between 1996 and 2001.

[8] Access to basic water provision

Demographic Profile

Saldanha Bay Municipality's population was estimated at 81 121 in 2006 or 25,3 per cent of the West Coast District population. Between 2001 and 2006, Saldanha Bay's total population increased from 71 341 to 81 121 at an average annual growth rate of 2,6 per cent. The population is expected to grow at an annual average rate of 2,3 per cent a year between 2006 and 2010, reaching 88 656 people by 2010 or 25,6 per cent of the estimated district population.

Saldanha Bay Municipality's population is predominantly Coloured (73,0%). White population comprised 16,0 per cent, and the African population 11,0 per cent of the total population in 2006.

Census 2001 found Saldanha Bay Municipality's population to be highly urbanised, with 94,4 per cent of its total 18 703 households in urban areas. This is the highest proportion of all the municipalities in the district and well above the district average of 69,89 per cent.

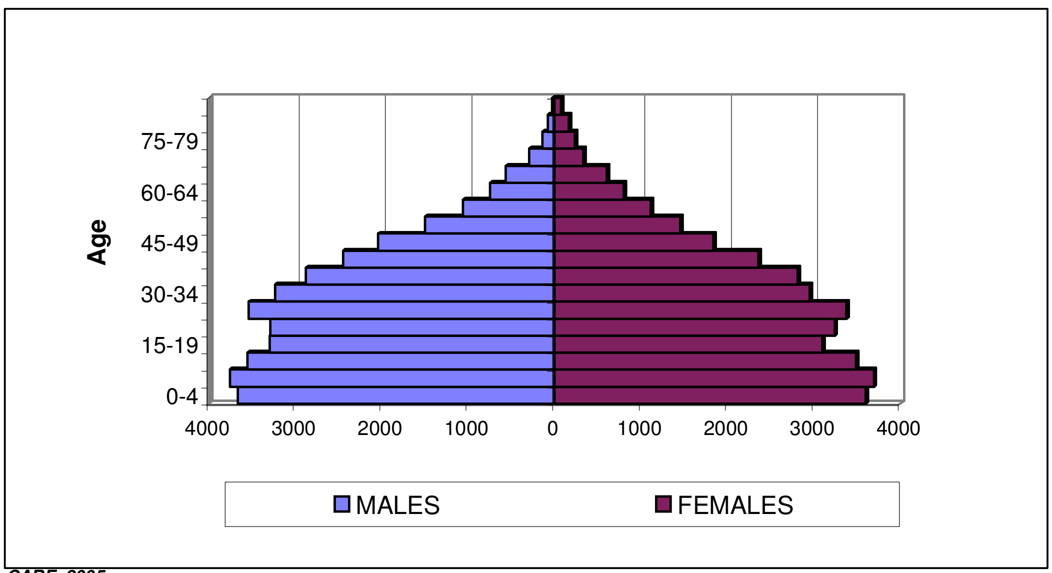
Table 3: Saldanha Municipality: Rural and urban households, 2001

	Total number of households	Number of rural households	Rural households (percentage)	Rural households (percentage off district)	Number of urban households	Urban households (percentage)	Urban households (percentage of district)
West Coast District	**73 444**	22 115	30.11	20.5	51 329	69.89	4.8
Saldanha	**18 703**	1 050	5.61	4.8	17 653	94.39	34.4

Demarcation Board (Census 2001)

Figure 3 depicts the Municipality's demographic profile in 2006. The broad base ofteh pyramid graph highlights a large young population as well as a significant proportion of people between the ages of 25 and 35.

Figure 3: Population pyramid, 2006



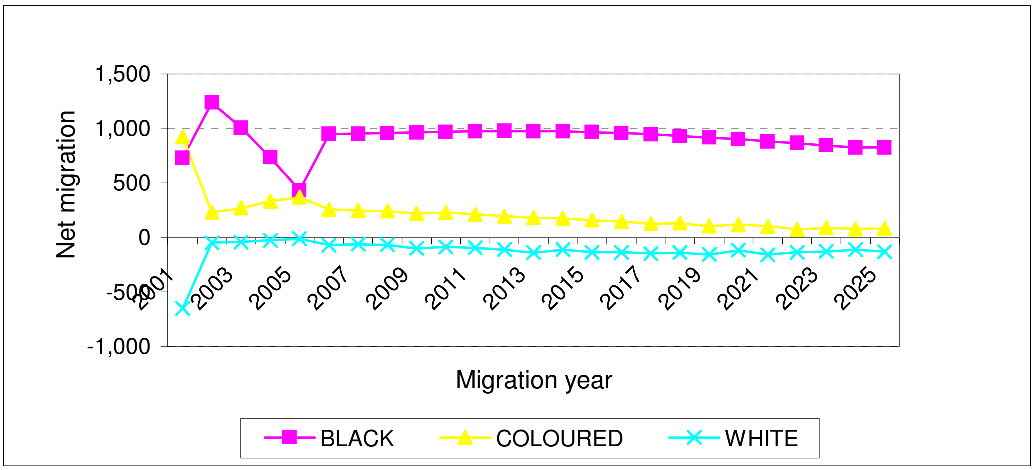
CARE, 2005

Saldanha Bay Municipality's population is relatively young, with a median age of 27. The dependency ratio[9] changed only slightly between 2001 and 2006, declining by 0,1 from 0,52 to 0,51. It is projected to remain at 0,51 in 2010.

Figure 4 shows migration projections, which are intended to provide insight into the underlying trends in the region's migration patterns.

According to the ASSA model, net in-migration into Saldanha Bay municipality is estimated to have risen from 1 001 in 2001 to 1 132 in 2006. In-migration is projected to remain above 1 000 people per year up to 2010 and expected to decline steadily between 2015 (987) and 2025 (775).

Figure 4: Saldanha Bay: Projected net migration by population group, 2001–2025



CARE, 2005

Saldanha Bay Municipality is one of a few local municipal areas where African migration was projected to be higher than Coloureds. In 2001, African in-migration was 730, increasing to 1 235 in 2002 and then declining to 432 in 2005. A similar sharp rise to 947 people in 2006 occurred however migration numbers are projected to remain fairly steady between 2006 and 2025, at 824.

Coloured in-migration was highest in 2001 at 919 dropping sharply to 231 in 2002, followed by an increased until 2005. It is expected to decline gradually until the end of the projection period (2025).

The migration pattern of Whites showed net out-migration over the entire period, from 648 in 2001 to only 48 in 2002. An increase in Whites out migration is forecasted, with 71 out-migrants expected in 2006, 136 in 2015 and 132 in 2025.

Employment trends

Saldanha Bay Municipality's working-age population[10] (people between the ages of 15 and 64) is estimated at 53 888 or 66.4 per cent of its total population in 2006. Over the next four years, the trend is expected to grow at a rate of 2.2 per cent (p.a.), reaching 88 656 in 2010.

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[9] The dependency ratio is calculated as the number of nought to 14-year olds plus the number of 65-year olds and older divided by the number of people in the 15 to 64-year old age cohort. This is to give a rough indication of dependency but it should be noted that it is not linked to the labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

[10] ASSA 2003 model projections, Centre for Actuarial Research, 2005.

Table 4: Labour participation, employment and unemployment 1996 and 2001

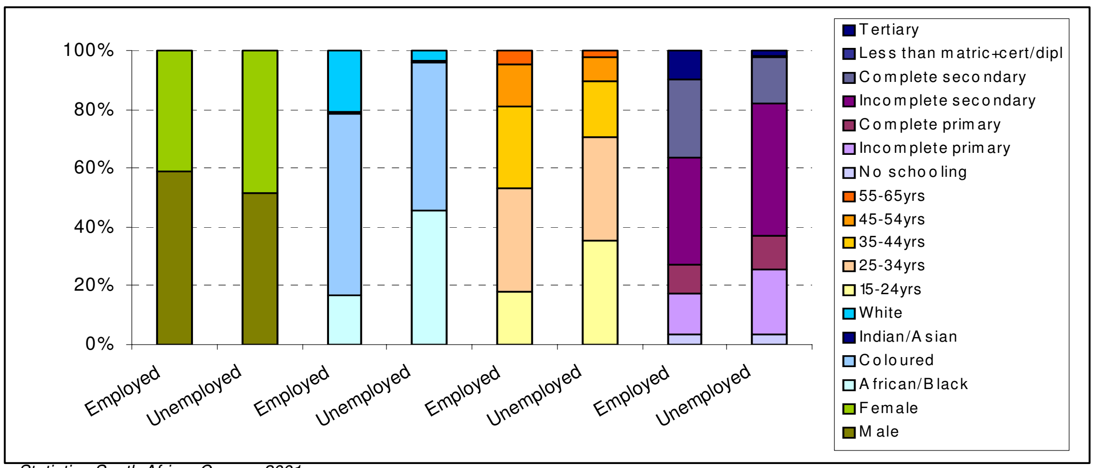
	Employed	Employed (percentage)	Unemployed	Unemployed (percentage)	Labour force	Labour-force participation rate (percentage)	Not economically active	Total pop. 15-65 years
1996	22 548	87.6	3 189	12.4	25 737	70.8	10 597	36 334
2001	24 984	78.6	6 820	21.4	31 804	66.8	15 839	47 643

Statistics South Africa, Censuses 1996 and 2001

Drawing from census data, labour-force participation rates suggest a declining trend, moving from 70,8 per cent in 1996 to 66,8 per cent in 2001 (Table 4).

Employment increased from 22 436 in 1996 to 24 984 in 2001 or at a rate of 2,1 per cent a year. Unemployment increased from 3 189 to 6 067 by 16,4 per cent a year over the same period. Although there was an increase in the number of employed, the unemployment rate grew faster, from 12,4 per cent to 21,4 per cent during this period.

Figure 5: Composition of employment and unemployment, 2001



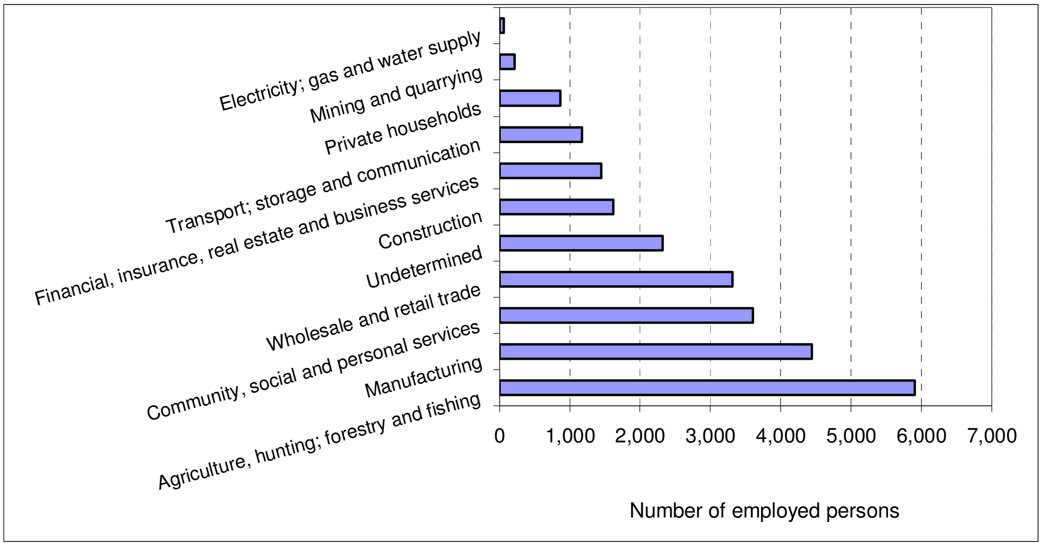
Statistics South Africa, Census 2001

Figure 5 highlights the imbalances in the proportion of employed and unemployed for certain groups. Unemployment is highest among Africans, estimated at 45,9 per cent unemployed compared to 16,5 per cent employed .

Meanwhile, the proportion of unemployed African females was 48,3 per cent with 42,1 per cent employed. There was a large proportion (70,8%) of unemployed youth (those below 35 years of age) with 53,0% youth employed.

Furthermore, employment trends show that the education level of the employed was slightly higher than other areas in the district. About 36,3 per cent had either completed secondary education, having a certificate, diploma or tertiary education. However, almost 20 per cent of the unemployed had completed secondary education or higher.

Figure 6: Saldanha Bay: Employment by sector, 2001



Statistics South Africa, Census 2001

The sectoral-employment contribution, shows that Agriculture, forestry and fishing was the biggest employer in Saldanha in 2001, contributing 23,6 per cent to employment while its contribution to the GDPR was only 11,9 per cent (Figure 6).

The Manufacturing sector contributed 17,8 per cent to total local employment, followed by CSP services (14,4%) and the Wholesale& Retail trade; Catering & Accommodation (13,3%). Collectively, these four sectors represent about 70 per cent of Saldanha Bay Municipality's workforce in 2001.

The major employers in the fishing industry include companies such as Sea Harvest, employing about 2 400 employees, Oceana, Southern Seas and West Point Processors employing 565 employees.

Within the Steel and mineral-processing companies (Manufacturing sector), the Saldanha Steel Project (Mittal SA) created 790 permanent jobs, Namakwa Sands 950 and Duferco 325, with an additional 50 permanent contractors contributing to employment.

Access to services and household well-being

Shared or broad-based growth requires that all people gain access to tangible assets, such as land, housing, water, energy, sanitation, transport and credit, or intangible assets, such as education, health, and personal safety.

Indicators that measure access to basic services (energy, water, refuse removal, telephone services and sanitation), access to social services (education, health care and policing), access to income-generating activities and, where available, attendant socio-economic well-being (educational attainment, health status, crime levels, income distribution and poverty levels) depict the quality of life that the average citizen experiences.

Basic-service provision[11]

Access to basic services has considerable influence on the standards of living and quality of life of the people living in Saldanha Bay. Figure 7 compares Saldanha Bay Municipality to the West Coast District on five measures of basic services, namely energy, water, refuse removal, telephone services and sanitation.

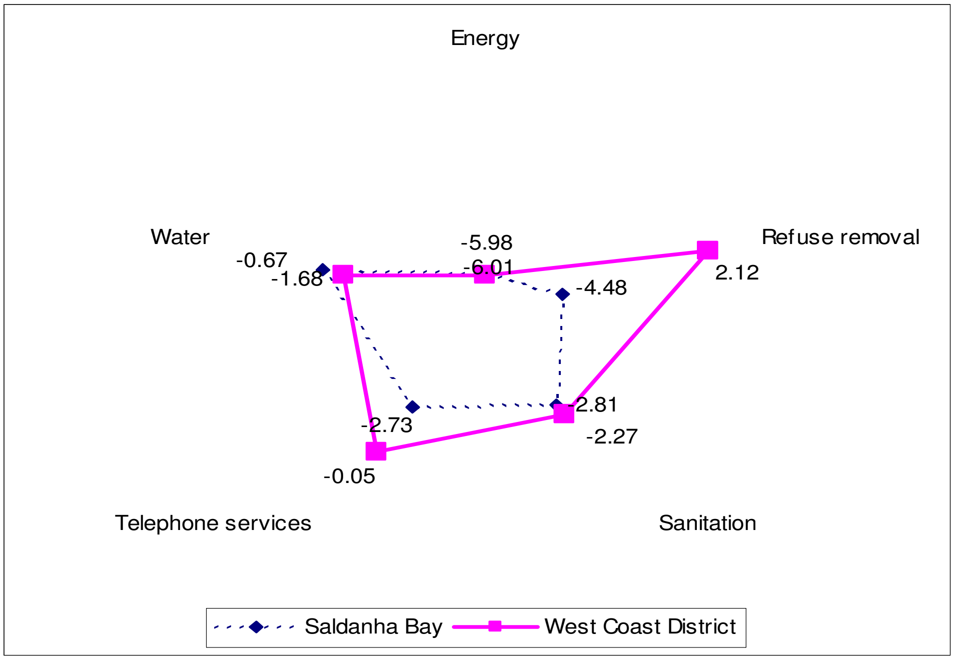
The information presented in Figure 7 includes only the households with access to less than basic services (see footnote), i.e. the number or proportions of households shown are only households that lack adequate basic services. The negative sign indicates an improvement in access to services.

Between 1996 and 2001, the municipality performed relatively well in all areas of basic services, with declining numbers of households with less than basic access[12] to energy, refuse removal, sanitation, telephone services and water, despite the faster population growth during this period (Table 5).

[11] The information on basic services comes from the 1996 and 2001 censuses. Although it is five years on from the last census, the information does give an indication of the level and changes in access to services in the inter-census period. Further information is drawn from the Development Profile of Saldanha Bay Municipality, Analysis of the Status Quo, April 2002, as well as the Independent Electoral Commission. The information on basic services comes from the 1996 and 2001 censuses.

[12]Less than basic access to services is defined as: Energy: Gas, paraffin, candles and other; Refuse removal: Own refuse dump and no rubbish disposal; Water: Borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor and other; Telephone services: Telephone at another location not nearby and no access to a telephone; Sanitation: Bucket latrine and none.

Figure 7: Saldanha Bay Municipality versus West Coast District, 1996 and 2001



Statistics South Africa, Census 2001 – Community profile database, DBSA

In particular, access to refuse removal in Saldanha Bay Municipality improved markedly from 92,1 per cent in 1996 to 96,5 per cent in 2001 compared to the district which showed a decrease from 74,8 per cent to 72,7 per cent. However, in 2001, 652 households still lacked this basic service.

Table 5: Saldanha Bay Municipality: Changes in access to basic services between 1996 and 2001

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Saldanha Bay	Percentage Change 1996-2001	-6,0	-4,5	-2,8	-2,7	-0,7
	Number of households (Change 1996-2001)	-281	-380	-200	-278	-16
	Number of households with below basic access to services 2001	1 595	652	533	246	229

Statistics South Africa, Census 2001 – Community profile database, DBSA

Housing[13]

As one of the most basic human needs, housing is an important area of service delivery. According to Census 2001, Saldanha Bay Municipality had close to 18 888 housing units, of which 85 per cent were brick structures, while 15 per cent comprised informal housing.

Between 1994 and 2004, local government built 5 019 housing units in the area. The backlog for Saldanha Bay Municipality in 2001 was estimated at 2 836, increasing to 3 000 in 2004. This represents the bulk (41%) of the backlog in the district.

The recent LG MTEC 3 engagements revealed that housing accounted for only 5 per cent of the Municipality's capital expenditure. Three housing projects – Langebaan, Hopefield and Middelpos – were reported.

There is a need to increase the delivery in order to address the housing backlog in the local municipality. The housing backlogs and slow roll-out of services, are compounded by the changing settlement patterns, where household sizes are becoming smaller, and in-migration.

Access to education and educational attainment levels

Saldanha Bay Municipality has 19 secondary and primary schools, representing 14,3 per cent of all schools in the West Coast District, and, on average, has a learner/educator ratio of 38, compared to a ratio of 37 for the district.

With a growing population, Saldanha Bay Municipality should ensure that there is sufficient space in schools to accommodate all learners. With the last school in the area built in 1980, there may already be a huge need in this regard.

Table 6: Education statistics

	Saldanha Bay Municipality	West Coast District
Number of schools (primary and high)	19	133
Percentage of illiterate people over 14 (less than grade 7)	21	29
Educator/learner ratio	38	37

Western Cape Education Department, 2006

While illiteracy rates are still high at 21 per cent, Saldanha Bay has a slightly lower proportion than the district average of 29 per cent.

Census 2001 indicated 5,1 per cent of the population in Saldanha Bay had no schooling lower than the district average (9,2%) and the provincial (5,7%) average. Nearly 17,2 per cent of individuals in Saldanha Bay Municipality had not completed primary-school education, compared to 21,7 per cent for the district.

In general, education outcomes in Saldanha Bay compared well with the district and provincial averages, with 22,0 per cent having matriculated and 7,6 per cent having higher-education qualifications. The district and provincial proportions for these education levels were 18,5, 6,7 per cent and 6,7 and 11,2 per cent respectively.

Saldanha Bay Municipality has a higher proportion of highly skilled and skilled occupations , compared to the district (Table 7).

[13] Department of Housing (2004) and data from local municipalities.

Table 7: Highest education level grouped for 20+ ages, 2001

	Saldanha Bay	Percentage	District	Percentage
No schooling	2 228	5.1	16 177	9.2
Some primary	7 477	17.2	38 167	21.7
Completed primary	4 339	10.0	18 511	10.5
Some secondary	16 597	38.1	58 561	33.3
Grade 12/Std 10	9 589	22.0	32 440	18.5
Higher	3 305	7.6	11 855	6.7

Statistics South Africa, Census 2001

Access to health services

Saldanha Bay performed poorly on selected health indicators, where only 86,0 per cent of children under one year received the first measles immunisation (national target is 90,0%) and tuberculosis (TB) prevalence was at 1 062 for every 100 000 people, with a cure rate of 76,0 per cent (national target is 85,0%). The district figures are poor, with a prevalence rate of 1 214 for every 100 000 people and a cure rate of only 73,0 per cent.

The workload on health staff was extremely high in Saldanha Bay, with a nurse/patient ratio of 57 per day, compared to the district average of 40 and a national target of 34.

The number of available health-care facilities is low considering Saldanha Bay Municipality is projected to have the largest population to serve. Swartland, with the second-largest population in 2006, has 17 health-care facilities compared to 12. for the Saldanha Bay Municipality.

The ASSA 2003 population projection model, forecasts HIV prevalence to increase from 2,6 per cent in 2001 to 4,3 per cent in 2005 and 5,5 per cent by 2010. AIDS-related deaths were projected to increase from 69 in 2001 to 150 in 2005 and 282 in 2010 (Table 8).

As a proportion of total deaths, AIDS-related deaths were expected to increase from 12,1 per cent in 2001 to 20,8 per cent in 2005 and 30,2 per cent in 2010 highlighting the considerable effect of HIV/AIDS on the population.

Table 8: Health measures

	Saldanha Bay Municipality	West Coast District	National health targets
Number of medical facilities	12	74	
Nurse/patient workload per day	57	40	34
Percentage of births under 2.5 kg	14%	16%	Less than 10%
Proportion of under 1-year olds with 1st measles immunisation	86%	88%	90%
TB prevalence rate per 100 000 people	1 062	1 214	
TB cure rate	76%	73%	85%
HIV/AIDS prevalence 2005	4.3	3.2	
Number of AIDS deaths 2005	150	425	
HIV/AIDS prevalence 2010	5.5	4.3	
Number of AIDS deaths 2010	282	807	

Department of Health (2005) and CARE 2005

Access to policing services and crime status

The 26 police stations in the West Coast District are evenly spread across the municipalities, with five in each local municipality and one in the DMA regardless of population size. For the purpose of this work, information on personnel numbers could not be obtained and workload can therefore not be calculated.

On crime measures, drug-related crime showed a large increase from 285 in 2002/03 to 613 in 2004/05. Reported murder and rape cases fluctuated, while the neglect and ill-treatment of children remained fairly stable over the same period. Serious violent crimes, such as murders and rapes, fluctuated over the last few years but showed no trend.

Table 9: Reported crime statistics, 2002-2005

Crime measures (reported crime)	2002/03	2003/04	2004/05
Murder	48	55	45
Rape	92	115	95
Neglect and ill-treatment of children	9	14	14
Drug-related crime	285	384	613
Total number of reported crimes	6 322	6 707	6 687

SAPS, 2005

Development Indices

The HDI is a composite measure that provides information on the human-development performance of a region. It is an average of health, education, income and infrastructure indicators.

Table 10: Human and city-development indices and component scores

	Saldanha Bay Municipality	Western Cape Province
HDI (and components below)	**0.73**	**0.72**
Health	0.66	0.63
Income	0.79	0.84
Education	0.74	0.68
CDI (and components below)	**0.82**	**0.81**
Infrastructure	0.84	0.79
Waste	0.96	0.89
Health	0.69	0.68
Education	0.82	0.86
Income	0.79	0.82

Department of the Premier, 2005

As illustrated in Table 10, Saldanha Bay Municipality's HDI is 0,73, slightly higher than the provincial average of 0,72. The health and education components of the index are higher than that of the provincial average, while the Municipality underperformed with respect to income.

The CDI, a poverty-measurement tool similar to the HDI, is designed to reflect a municipality's investment path. Saldanha Bay Municipality's CDI is 0,82, slightly higher than the provincial average of 0,81.

The Municipality fared below the province in respect of the education component (0,82 compared to 0,86). The Municipality outperformed the province in health (0,69 compared to 0,68), infrastructure (0,84 compared to 0,79) and waste components (0,96 compared to 0,89).

Table 11: Saldanha Bay: Percentage of wards that fall within each quartile of wards in the Western Cape on the various deprivation domains, 2001

Domain	Percentage of wards in least deprived 25%	Percentage of wards in least deprived 25-50%	Percentage of wards in most deprived 25-50%	Percentage of wards in most deprived 25%
Overall PIMD	40	40	20	0
Income	50	30	20	0
Employment	40	30	20	10
Education	30	30	40	0
Health	20	60	20	0
Environment	30	30	20	20

Noble, M., Barnes, H., Noble, S., Ntshongwana, P. and Wright, G. (2006) The Western Cape Provincial Index of Multiple Deprivation 2001, University of Oxford, UK

According to the PIMD, the wards in the Saldanha area are comparatively less deprived than other wards in the Western Cape. Most (80,0%) fell within the overall least-deprived wards in the Western Cape. The spread for the overall PIMD as well as its component parts are shown in Table 11.

When all 332 wards in the Western Cape were ranked, two of Saldanha Bay's 10 wards featured in the overall top 50 least-deprived wards, ranking 35 and 46, both in the Clanwilliam area. On the whole, Saldanha Bay wards performed satisfactorily within provincial comparison.

The three measures of development reinforce the need to address education-related backlogs if Saldanha is to claim its stake in the Western Cape regional development arena given the investment prospects in the region.

Access to income-generating activities, income distribution and poverty levels

There are numerous ways and means of generating income: through formal or informal employment, through a wage income or self-employment, or, for those at the lower end of the income spectrum, through access to the government's extended public-works employment programme or social-security grant system.

Formal employment and skills-level[14] distribution

The educational attainment of the Saldanha Bay LM population, the type of economic activity in the region and the employment opportunities that it presents, has led to a labour market with a comparatively high skills mix compared within the West Coast District.

According to the Census 2001 occupational categories, 16,6 per cent of the employed were highly skilled, 51,4 per cent were skilled and 32,0 per cent were in low-skilled occupations. (Table 12)

[14] Low-skilled workers are defined as individuals employed in elementary occupations. Skilled occupations employ clerks, service workers, shop and market-sales workers, skilled agricultural and fishery workers, crafts and related-trades workers as well as plant and machine operators and assemblers. The high-skilled occupations category includes professions such as legislators, senior officials and managers, professionals as well as technicians and associated professionals.

Table 12: Skill level of the employed, 2001

	District	Saldanha
High skilled	12.3	16.6
Skilled	36.5	51.4
Low skilled	51.2	32.0

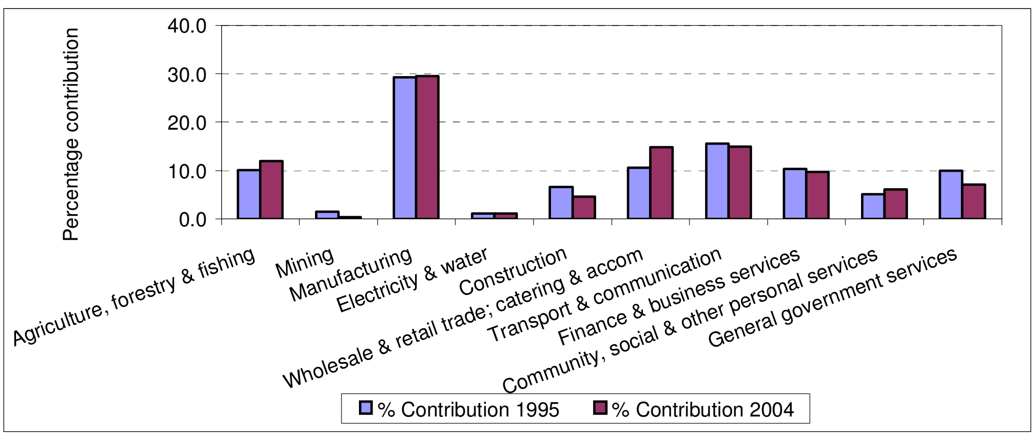
Statistics South Africa, Census 2001

Saldanha Bay has a high skills proportion compared with local municipalities within the district however its fairs lower than municipalities in other districts. The area with the largest proportion of highly skilled occupations within the Western Cape was the City of Cape Town, with 28,84 per cent.

Income distribution

Households' ability to access different income sources influences their position within the Municipality's income distribution as well as their poverty status.

Figure 8: Saldanha Bay income distribution by population group, 2001



Statistics South Africa, Census 2001

Income distribution trends in Saldanha Bay Municipality sees household income concentrated in the middle-to-lower income categories. In 2001, the majority (70,1%) of households had an income of between R9 601 and R153 600 a year (or between R800 and 12 800 a month), with a greater proportion of Whites at the higher-income levels.

About 11 per cent of households in the total population had no income, 3 per cent had an annual income of between R1 and R4 800 and 8,13 per cent had an income of between R4 801 and R9 600. This translates into approximately 22 per cent of households with a monthly income of R800 or less.

Female-headed households made up 29 per cent of all households, with 5,2 per cent of households headed by young people aged between 15 and 24. These households are likely to be more vulnerable and often have lower incomes.

Access to government-income support

Social grants[15]

Social grants are social welfare payments to individuals on the basis of their specific qualifying criteria on the basis of met the requirements of the government determined needs test.

The proportion of grant recipients of the total population was the lowest in the Saldanha Bay Municipality at 0,49 per cent. The West Coast District average is 0,76.

Table 13: Social grants data, 2005

	Average number of recipients (monthly)	Proportion of total number of recipients	Proportion of total number of recipients West Coast District	Average monthly value of grant[16]	Total value of grants paid (monthly in Rands)
Old age	132	33,59	*29,28*	726,79	95,755
Disability	123	31,32	*24,03*	828,51	101,769
Foster care	13	3,19	*3,62*	774,80	9,685
Care dependency grant	5	1,36	*1,06*	810,94	4,325
Child support	115	29,30	*39,81*	287,29	33,014
Grant-in-aid	5	1,17	*2,07*	189,27	868
All other grants	0.33	0,08	*0,13*		
Total grants	392	100,00	*100*	626,69	245,818

SASSA 2006

The average number of grants paid monthly during 2005 in Saldanha Bay Municipality was 392. The largest proportions of recipients were of the old-age, disability and child-support grants.

[15] South Africa South Security Agency 2006, ALLPAY annual data for 2005. Represents only payments made at ALLPAY stations.

[16] The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:

Lump sum for the beneficiary due to the date the grant was put in payment versus the application date

Lump sum for the beneficiary due to previous month's grant being uncollected

Lump sum for the beneficiary due to re-instatement

Yearly beneficiary uptake (new applications)

Yearly pay-point transfers (movement of beneficiaries between pay points)

Municipal Sustainability

Municipal stability and sustainability in respect of the political environment, revenue-generation capacity and internal capacity are critical in ensuring service delivery at the local level.

Political environment

Between the 2000 and 2006 elections, the number of seats in Saldanha Bay increased from 20 to 23. The 2006 results represent a change from 2000, when the African National Congress and Democratic Alliance each won nine seats, with the South African Political Alliance and an independent winning one seat each.

In the 2006 local government elections, the African National Congress claimed the majority of seats (nine), followed by the Democratic Alliance (six) and the Independent Democrats (three)[17]. Independents, the South African Political Alliance and the United Independent Front won two seats, one seat and one seat, respectively.

Revenue generation

This subsection analyses sources of own revenue and notes whether the Saldanha Bay Municipality has the ability to generate sufficient own revenue to finance the delivery of basic services and to ensure appropriate investment in and the maintenance and operation of key basic economic infrastructure.

Total municipal revenue for Saldanha Bay Municipality for the 2006/07 financial year is budgeted at R405 285 million. Own revenue constitutes the largest part of the total (R235 038 million or 58,0 per cent). Revenue growth over the medium-term income and expenditure framework (MTREF) is projected to grow at an average yearly rate of 5,7 per cent.

Table 14: Overall municipal revenue

Source	Budget	Budget	Medium-term estimate		Growth	
R'000	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTREF
Transfers	**45 508**	**77 445**	**77 152**	**84 034**	**70.2%**	**22.7%**
National transfers	4 874	5 519	7 303	4 649	13.2%	-1.6%
Provincial transfers	27 479	57 138	53 931	60 990	10.9%	30.4%
Municipal transfers	3 970	574		40	-85.5%	-78.4%
Unclassified	9 185	14 214	15 918	18 355	54.8%	26.0%
Main sources of own revenue	216 545	235 038	233 384	241 115	8.5%	3.6%
All other sources of revenue	80 791	92 802	87 912	80 012	14.9%	-0.3%
Total	**342 844**	**405 285**	**398 448**	**405 161**	**18.2%**	**5.7%**

Calculated by Provincial Treasury, Fiscal Policy Unit, based at Saldanha Bay Municipality: Final Budget 2006 MTREF

Own revenue in turn is derived mainly from three sources, namely electricity, property rates and water. For the 2006/2007 financial year, the proportions for these were 33,4, 26,6 and 24,9 per cent, respectively. Other sources are from sanitation (7,7%) and refuse removal (7,4%).

[17] Results from the Independent Electoral Commission.

Table 15: Main sources of own revenue

R'000	Budget 2005/06	Budget 2006/07	Medium-term estimate 2007/08	2008/09	Growth 05/06-06/07	MTREF
Property rates	28.1%	26.6%	26.0%	25.2%	3.0%	0.0%
Electricity	32.7%	33.4%	33.4%	33.9%	10.9%	4.9%
Water	24.6%	24.9%	26.2%	27.1%	9.8%	7.0%
Sanitation	7.4%	7.7%	7.3%	6.6%	12.8%	-0.2%
Refuse removal	7.2%	7.4%	7.2%	7.3%	11.0%	4.0%
Other						
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**8.5%**	**3.6%**

Calculated by Provincial Treasury, Fiscal Policy Unit, based at Saldanha Bay Municipality: Final Budget 2006 MTREF

Total own revenue growth over the MTREF is expected to average at a yearly rate of 3,6 percent, driven by growth from electricity, water and refuse-removal revenues.

In order to secure revenue, the Municipality needs to have systems in place to ensure collection for these services. The Municipality is, however, finding it difficult to collect debt.

The norm period for debtor collection is 42 days. For the 2003/04 financial year, Saldanha Bay Municipality's ratio was 142, deteriorating to 154 in 2004/05. Debtors' analysis at the end of February 2005/06 showed a total debt amount of R49,3 million, with 63,0 per cent of debt over 90 days old.

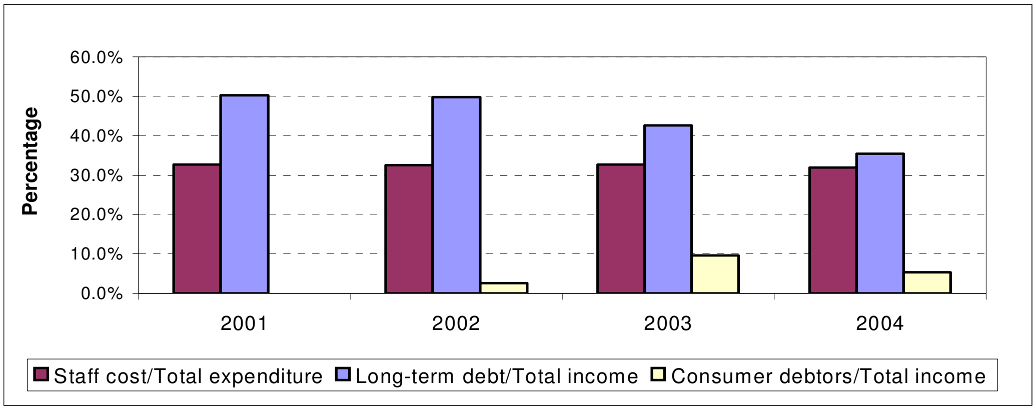
Local government needs to ensure collection for sufficient resources to deliver services. It is clear that debtor levels are well above the norm and that the Municipality needs to address this to secure the revenue that it needs to meet its service-delivery obligations.

Financial ratios

The following section reviews Saldanha Bay Municipality's financial ratios, focusing on long-term debt to total income, staff costs to total expenditure and consumer debtors to total income.

Staff costs to total expenditure remained relatively constant, averaging 32,0 per cent between 2001 and 2004. The long-term debt ratio declined steadily, moving from 50,3 per cent in 2001 down to 35,4 per cent in 2004 and resulting in lower debt-service costs. The benefit of lower debt-service costs allows Municipality to channel the savings to much-needed service delivery. The ratio of consumer debt to total income has fluctuated, reaching a high of 9,6 per cent in 2003 and decreasing to 5,3 per cent in 2004.

Figure 9: Financial ratios



INCA, 2005

Unsustainable ratios with regard to staff cost, long-term debt and consumer debt impact on the Municipality's ability to speed up service delivery, as this indicates that resources are not optimised.

Conclusion

Saldanha Bay has a higher growth potential and is strategically positioned to create room for increasing fixed investment in the province. However, investment in support of skills required, is a major area of weakness in the region, with the last school built more than two decades ago.

Saldanha Bay municipality needs to strengthen internal controls, deal with low capital expenditure and prioritise service provision in order to deliver on its core mandate while aiming to provide basic services efficiently and effectively.

Nonetheless, Saldanha Bay remains a western growth node for the province and is poised to increase its share of contribution to the provincial economy. Economic growth did not translate into job creation, as key driving sectors are relatively less labour-intensive.

Like elsewhere in the country, unemployment remains a problem, as it almost doubled from 12,4 per cent to 21,4 per cent between 1996 and 2001.

Household income in Saldanha Bay Municipality was generally low but particularly alarming was that 10,9 per cent of households had no income. In total, 59,1 per cent of all households earned R3 200 per month or less.

Given the fact that there is some evidence of multifaceted deprivation within Saldanha Bay, especially in Clanwilliam, Saldanha Bay's growth needs to filter through to ordinary citizens.

Of concern are the social-service areas of education and health (especially in the health-care staff workload) as well as the high levels of crime. The housing backlog is the largest within the district.

The Municipality needs to focus on general basic services, although the proportion of the population with below basic access is much smaller in the Saldanha Bay LM than other areas in the district. In particular, energy (the proportion of households with below basic access is 8,4%) warrants special attention.

6

Swartland Local Municipality

List of towns

Abbotsdale
Chatsworth
Darling
Kalbaskraal
Malmesbury
Moorreesburg
Riebeeck-Kasteel
Riebeeck-West
Riverlands
Yzerfontein

Real GDPR (2004)	: R1,6 billion
Total population (2006)	: 76 225
Urban /rural	: 71,16% : 28,84%

Total population (2001) : 72 370

(2006) : 76 225

(2010) : 77 897

Number of wards: 10

GDPR 2004 – R1,636.0 million (29.1% of district GDPR)

Percentage of households in urban areas: 71.16%

District comparisons in parentheses

Population density (Demarcation Board)	20.8 km2
Population growth rate	
2001 - 2006 (average annual %)	1.04% (2.38%)
2006 - 2010 (average annual %)	0.54% (1.95%)

CARE, 2005

Socio-economic indicators

Growth rate 2003/2004	5,6% (4,3%)
Unemployment rate 2001	10.2 % (13.8%)
Number of unemployed 2001	3107 (17 175)
Proportion of households with no income	4.7 % (6.6%)
Number of households with no income	884 (5 141)

Statistics South Africa; Census 2001

Health			
Number of medical facilities	17 (74)	Nurse patient ratio *(National target: 34)*	36 (40)
Percentage births under 2,5kg *(National target: < 10%)*	8 (16)	Proportion under 1 with 1st measles immunisation *(National target: 90%)*	101 (88)
TB prevalence per 100 000 people	1 135 (1 124)	TB Cure rate % *(National target: 85%)*	67 (73)
HIV/AIDS prevalence rate (2005)	3.1 % (3.2%)	HIV/AIDS prevalence rate (2010)	3.9 % (4.3%)
Number of HIV/AIDS deaths (2005)	98 (425)	Number of HIV/AIDS deaths (2010)	164 (807)
Education			
Number of schools (primary and high)	40 (133)	Educator learner ratio	37 (37)
Percentage of people over 14 illiterate (less than grade 7)	31 (29)		
Crime (reported)			
Number of police stations (2004/05)	5 (26)	Total number of cases reported (2004/05)	5 881 (21 642)
Number of murders (2004/05)	53 (164)	Number of rapes (2004/05)	148 (456)
Drug related crimes 2002/03	378 (1 617)	Drug related crimes 2004/05	613 (3 480)

SAPS (2005), Department of Health (2005), WCED (2005)

Strengths and challenges

Strengths	**Challenges**
Relatively strong average annual growth between 1995 and 2004.	Poor health indicators for TB.
Decline in total number of reported crimes (including murders).	Sharp increase in drug related crime in recent years. Also increases in number of reported rapes.

Introduction

Swartland is situated in the West Coast District, bordering the Atlantic Ocean in the west, City of Cape Town in the south, the Cape Winelands District (Western Cape) in the east and other West Coast Districts to its north. Swartland is a type B[1] municipality, falling within the boundaries of the West Coast District (it's C municipality). The larger towns in the Swartland include Malmesbury, Moorreesburg, Darling, Riebeeck Wes, Riebeeck Kasteel and Yzerfontein.

In 2001, Swartland municipality had the largest population in the West Coast District but was overtaken by Saldanha Bay by 2006. In 2006 it had 23,8 per cent (a total of 76 225 people) of the district's population compared with the 25,2 per cent of Saldanha Bay.

Its economy is driven by manufacturing (20,8%), finance & business services (20,2%) and agriculture, forestry & fishing (19,9%). Swartland contributes 29,1 per cent to the district's GDPR, a total of R1,6 billion of the District's total R5,6 billion. The overall average annual growth rate between 1995 and 2004 was 3,6 per cent. , Agriculture, forestry & fishing, the largest employment sector in the area, registered strong growth of 4,9 per cent.

[1] A Category B municipality is defined as a municipality that shares executive and legislative authority in their area with a category C municipality within whose area they fall.

Economic Outlook

Malmesbury is the administrative centre, as well as a commercial centre in the Swartland municipality. The town has a diversified economic base, which includes agriculture, a well-diversified industrial sector and infrastructure. According to the Growth Potential of Towns in the Western Cape (2004) study, its growth potential is ranked high and its human need low (the towns people are considered well off).

The town's location of being approximately 60km from the Cape Metropole increases its market potential. It has sufficient land for future residential development. While tourism does not currently play major role, this avenue can also be explored (Growth Potential of Towns in the Western Cape, 2004).

The study found the smaller towns in the Swartland area to have low development potential, while Malmesbury, Moorreesburg and Kalbaskraal scored high on development potential. Kalbaskraal and Koringberg scored high on human need, while all the other towns included in the study, namely Malmesbury, Moorreesburg, Darling, Riebeeck-Kasteel, Riebeeck-West and Yzerfontein, scoring low on human needs (Growth Potential of Towns in the Western Cape, 2004).

The West Coast presents opportunities for renewable energy generation from wind power. Such an example is the Darling wind farm in the Swartland. A landscape study is underway to investigate suitable areas for wind energy developments in the Western Cape – the Cape West Coast Biosphere Reverse is a pilot research area.

The N7 is a major road linking the areas with Cape Town. Rail transport for freight runs from Malmesbury, Kalbaskraal and Riebeeck-Kasteel.

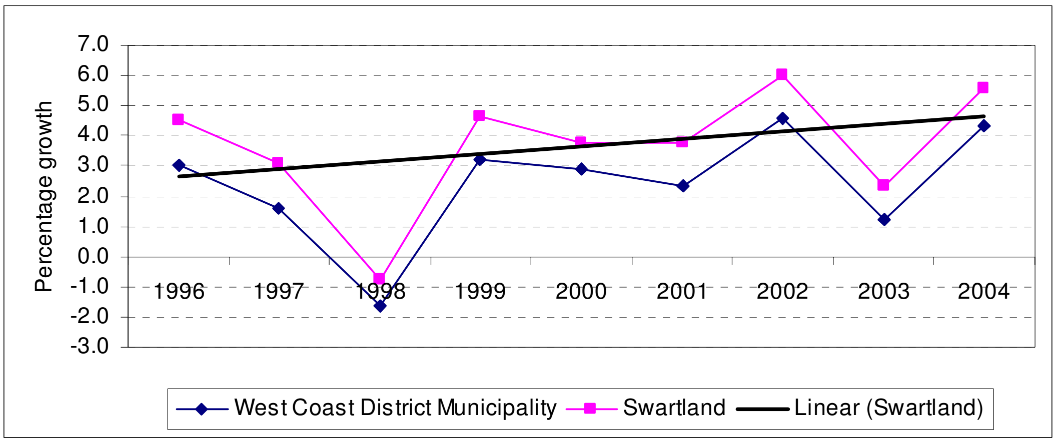
The largest sectors within the municipality in 2004 were Manufacturing (20,8%), Finance & Business Services (20,2%) and Agriculture, Forestry & Fishing (19,9%) sectors.

Swartland was the second largest contributor to the West Coast District accounting for 29,1 per cent of the district's GDPR or R1,6 billion in 2004. Its contribution to district GDPR per sector (contribution of local to district sector totals) was particularly strong in the Finance & Business Services (44,0%), Electricity & Water (40,4%), Construction (30,7%), Agriculture, Forestry & Fishing (29,8%) and Manufacturing (29,4%) sectors within the district.

Swartland grew the fastest of all municipalities in the district for the period 1995 to 2004. The average annual growth rate was 3,6 per cent for the municipality compared to 2,4 per cent for the district.

Overall, the linear growth trend over this period for Swartland (figure 1) was positive. For all years, Swartland's growth was above that of the district but exhibited a similar trend.

Figure 1: GDPR growth trends: Swartland and West Coast District – 1996 to 2004



Own calculation, Quantec 2006

When measured over the more recent five-year period from 2000 to 2004, average annual growth increased to 4,4 per cent, reflecting an improvement in the municipality's economic growth performance.

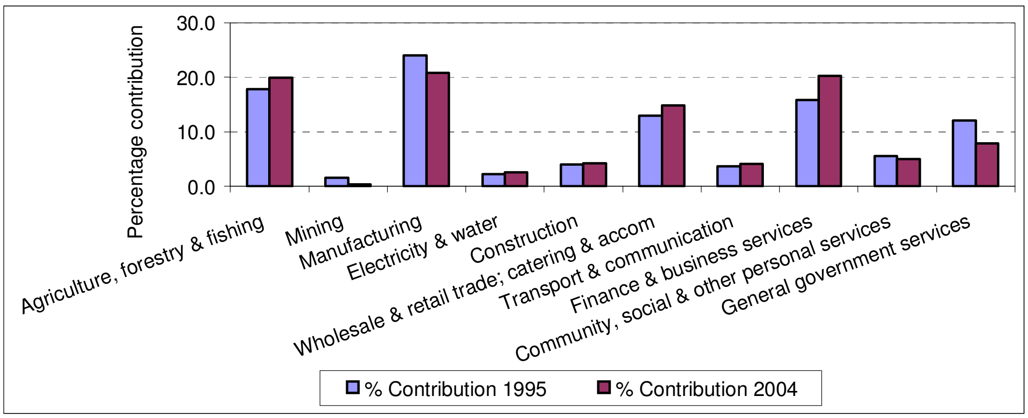
This is above district growth of 3,1 per cent over the same period, closer to provincial growth over this period of 4,3 per cent.

The latest available data suggests that Swartland Municipality's recent growth of 5,6 per cent between 2003 and 2004 compares well with the growth trend for the district (figure 1).

Sectoral trends and contribution to GDPR[2]

Swartland's economic activity is spread across a number of sectors, the largest of these in 2004 being Manufacturing (20,8%), Finance & business Services (20,2%), Agriculture, Forestry & Fishing (19,9%) and Wholesale & Retail Trade; Catering & Accommodation (14,8%). Together, these sectors contributed about 75,7 per cent of the Swartland's economic output.

Figure 2: Swartland Municipality - Sectoral contribution to GDPR, 1995 and 2004



Own calculations based on Quantec Research

When looking at the changes between 1995 and 2004 (figure 2), the largest proportional increases were in the Finance & Business Services (4,33%), Agriculture, Forestry & Fishing (2,10%) and Wholesale & Retail; Catering & Accommodation (1,85%). The sectors that had the greatest proportional losses over this period were General Government Services (4.21%), Manufacturing (3,22%) and Mining (1,29%).

Table 1: Swartland: GDPR 2004, Percentage contribution to GDP per sector 2004, Average annual growth per sector, 1995 – 2004 & 2000 – 2004 and Growth 2003-2004

Industry	GDPR 2004 Rand million	% Contribution per sector 2004	Average annual growth 1995-2004	Average annual growth 2000-2004	Growth 2003 - 2004
Agriculture, forestry and fishing	326.1	19.9	4.9	4.0	4.3
Mining	5.5	0.3	-13.1	-4.2	0.3
Manufacturing	340.5	20.8	2.0	3.3	7.5
Electricity & water	42.8	2.6	5.2	5.6	8.0
Construction	69.8	4.3	4.3	5.3	5.4
Wholesale & retail trade; catering & accommodation	242.3	14.8	5.2	5.3	9.2
Transport & communication	67.2	4.1	5.0	4.3	3.0
Finance and business services	330.5	20.2	6.5	7.9	6.3
Community, social and other personal services	82.5	5.0	2.4	1.9	0.8
General government services	129.0	7.9	-1.2	0.2	-0.1
Total	**1,636.0**	**100.0**	**3.6**	**4.4**	**5.6**

Own calculations, Quantec data 2006

[2] This section is based on GDPR data from Quantec Research, unless noted otherwise.

From 1995 to 2004, the fastest growing large sectors in the municipality were , Finance & Business Services (6,5%), Wholesale & Retail Trade (5,2%) and Agriculture, Forestry & Fishing (4,9%). The fastest growing small sectors were Electricity & Water (5,2%), Transport & Communication (5%) and Construction (4,3%).

Overall average annual growth was 3,6 per cent between 1995 and 2004, 4,4 per cent between 2000 and 2004 and 5,6 per cent between 2003 and 2004. The figures demonstrate that the municipality is on an strong annual growth trajectory.

Manufacturing

Swartland has a large manufacturing sector that represents 20,8 per cent (R340 million) of total 2004 economic output in the area. Even though Swartland has the lowest Tress Index[3] (63) of all the local municipalities in the district, the Tress Index (63) is still relatively high, which demonstrates the level of concentration of manufacturing activity in the foods (35,95%) and metals (29,22%) sub-sectors within total manufacturing. These two sectors alone account for over 65 per cent of manufacturing.

Average growth for manufacturing between 1995 and 2004 has been slow, at 2,2 per cent average annual growth, increasing to an average 3,3 per cent between 2000 and 2004.

Table 2: Manufacturing sub-sectors in the Swartland 2004

Manufacturing Sub-sectors 2004	Rand million	Percentage	Average annual growth 1995-2004 (Percentage)	Average annual growth 2000-2004 (Percentage)
Food, beverages and tobacco	122	35.95	0.9	0.4
Textiles, clothing and leather goods	21	6.19	-0.4	-2.4
Wood and paper; publishing and printing	16	4.64	-5.3	-4.5
Petroleum products, chemicals, rubber and plastic	25	7.27	3.3	5.7
Other non-metal mineral products	31	9.13	-5.0	-7.7
Metals, metal products, machinery and equipment	99	29.22	12.4	12.4
Electrical machinery and apparatus	2	0.62	-1.7	0.4
Radio, TV, instruments, watches and clocks	3	1.02	2.1	0.5
Transport equipment	3	0.80	1.6	1.8
Furniture and other manufacturing	18	5.16	2.7	2.7
Total	**340**	**100.00**	**2.0**	**3.3**

Own calculations, Quantec 2006

[3] The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 reflecting complete diversification and 100 reflecting total concentration (i.e. one industry or monopoly). This is applied here to test diversification within the manufacturing sector.

Finance & Business Services

The Finance & Business services sector was the second largest sector in 2004, with 20,2 per cent or R330,5 million. Two of the largest sub-sectors are Finance & Insurance (57%) and Business Services (43%).

This sector was the fastest growing sector in Swartland, growing at an average annual rate of 6,5 per cent between 1995 and 2004, with even higher average growth between 2000 and 2004 of 7,9 per cent.

Agriculture, Forestry & Fishing

The Agriculture, Forestry & Fishing sector includes pig, sheep, cattle, chicken, buchu and poultry, grain, table grapes, fruit, olives and wine farming.

In 2004 the sector as a whole accounted for 19,9 per cent (or R326,1 million) of Swartland's GDPR. Growth in this sector was strong, between 1995 and 2004, growing at an average annual rate of 4,9 per cent, slowing to 4,0 per cent between 2000 and 2004.

'The local economy is reasonably sharply focussed on primary agricultural activity that renders it vulnerable to the many factors that can impact upon that sector. This vulnerability is projected through to the local manufacturing sector as well since a significant component of local manufacturing in Swartland involves the processing/beneficiation of local agricultural products and the servicing of the local agricultural sector.

More particularly primary agriculture in the Swartland is based upon the production of commodity-type products associated with relatively high risk.' (Swartland Economic Profile, 2005[4])

Wholesale & Retail Trade; Catering & Accommodation

Average annual growth in this sector between 1995 and 2004 was a relatively high 5,2 per cent. Wholesale & Retail Trade had 93 per cent (by far the largest) of the total sector share, while Catering & Accommodation had 7 per cent of the sector.

Transport & communication

Public transport[5] contributes to the quality of life of people by affording them access to opportunities, both economic and social. The main types of public transport in the area are taxis, busses, long-distance passenger bus services and trains. Public transport is generally problematic as there is often an insufficient level of service. The smaller areas often have no access to any form of public transport. Passenger trains also run to the metropole daily.

The value of the Transport and Communication sector in 2004 was R67,2 million, contributing 4,1 per cent to GDPR in that year. The Transport (68%) sub-sector was much larger than that of Communication (32%).

Average growth of this sector was strong, averaging 5 per cent between 1995 and 2004. Growth declines to 4,3 per cent for the more recent period between 2000 and 2004.

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[4] The Swartland Economic Profile, 2005 was done by The School of Public Management and Planning of the University of Stellenbosch for Swartland Municipality in association with Octagonal Development.

[5] From Swartland IDP (21 March 2005).

Non-performing sectors

The Mining (13,1) and General Government Services (1,2) sectors recorded declines between 1995 and 2004. In 2004 the Mining sector's contribution was very small at only 0,3 per cent of total GDPR for Swartland. The General Government services sector contribution in 2004 was 7,9 per cent. Community Social & Personal Services contributed 5 per cent to total GDPR growing at 2,4 per cent between 1995 and 2004. Average growth for Community Social & Personal Services declined to 1,9 per cent between 2000 and 2004.

Demographic Profile

The population in the Swartland increased from 72 370 to 76 225 between 2001 and 2006, at a slow average annual rate of 1,04 per cent. The growth rate is projected to decline to 0,54 per cent between 2006 and 2010.

In the Swartland municipality, 28,84 per cent of all households are rural compared to the district's 30,11 per cent. At 71,16 per cent, Swartland had the second largest urban population (in 2001) in the district after Saldanha Bay's 94,39 per cent. The median age of Swartland's population is 27, with a dependency ratio[6] of 0,51 in 2006. The dependency ratio is down from the 2001 ratio of 0,52 and is projected to decline further to 0,50 in 2010.

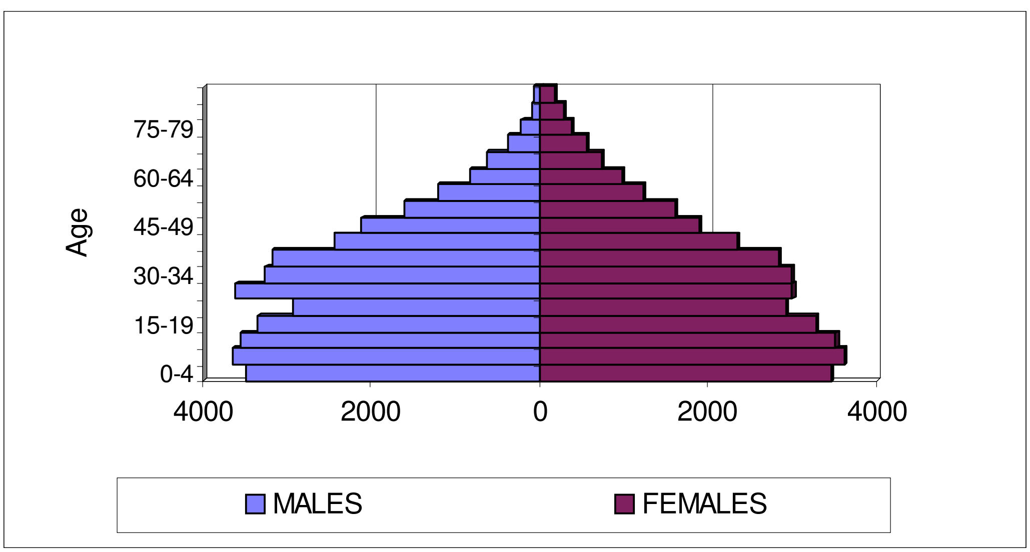
Table 3: Number and proportions of rural and urban households, 2001

	Total number of households	Number of rural households	Rural households (Percentage)	Rural households as % of district	Number of urban households	Urban households (Percentage)	Urban households as percentage of district
West Coast District	73,444	22,115	30.11	20.54	51,329	69.89	4.82
Swartland	17,402	5,018	28.84	22.69	12,384	71.16	24.13

Demarcation Board (Census 2001 data)

Swartland's population has a large segment of children and youth as well as large proportions in the middle age between 25 and 40 years.

Figure 3: Swartland population pyramid, 2006

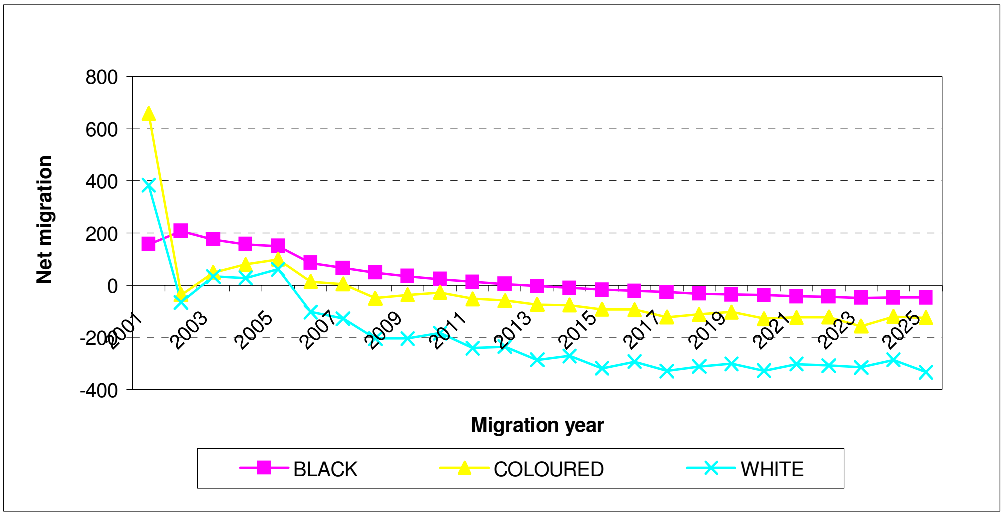


CARE 2005

[6] The dependency ratio is calculated as the number of 0-14 year olds plus the number of 65 year olds and older, divided by the number of people in the 15-64 year old age cohort. This is to give a rough indication of dependency, but should be noted that it is not linked to labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

Migration into Swartland is projected to be negative between 2006 and 2025. Total migration was high and positive (net in-migration) between 2001 and 2005, starting off at a high 1 197 in 2001 and then declining.

Figure 4: Projected net-migration – Swartland, 2001 - 2025



CARE 2005

Most of the in-migrants, except for in 2001, were African. Where the African population group shows a decline over the entire period from 2002 onwards, the Coloured and White populations show some increase between 2002 and 2005 before generally declining through to 2025. Whites make up the greatest proportion of out-migrants from the Swartland.

Employment trends

Swartland Municipality's working-age population[7] (people between the ages of 15 and 64) is estimated at 50 647 or 66,4 per cent of its total population in 2006. This is expected to grow at a rate of 0,63 per cent a year over the next four years, reaching 51 929 in 2010.

Table 4: Swartland labour market information, 1996 and 2001

	Employed	Employed (Percentage)	Unemployed	Unemployed (Percentage)	Labour force	Labour force participation rate (Percentage)	Not economically active	Total pop 15-65
1996	25 525	91,4	2 389	8,6	27 914	69,9	12 033	39 947
2001	27 371	89,8	3 107	10,2	30 478	63,6	17 412	47 890

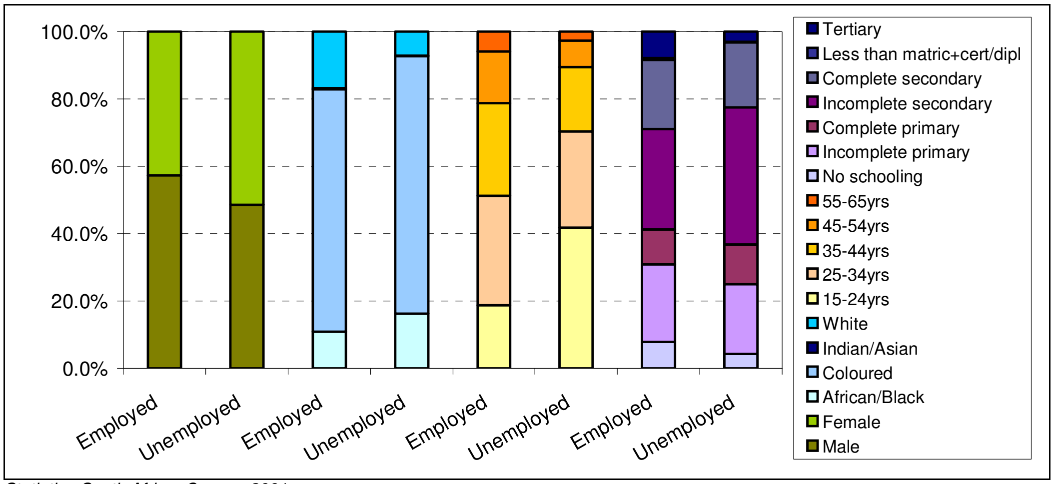
Statistics South Africa, Census 1996, 2001

Between 1996 and 2001, Swartland's labour force participation rate declined from 69,9 per cent to 63,6 per cent. During the same period, the number of people employed (1846) and unemployed (718) increased by. In this period, the unemployment rate rose from 8,6 per cent to 10,2 per cent.

[7]ASSA2003 Model projections, Centre for Actuarial Research 2005.

The proportions of employed and unemployed, by gender, population group, age and education for 2001 is summarised in figure 6.

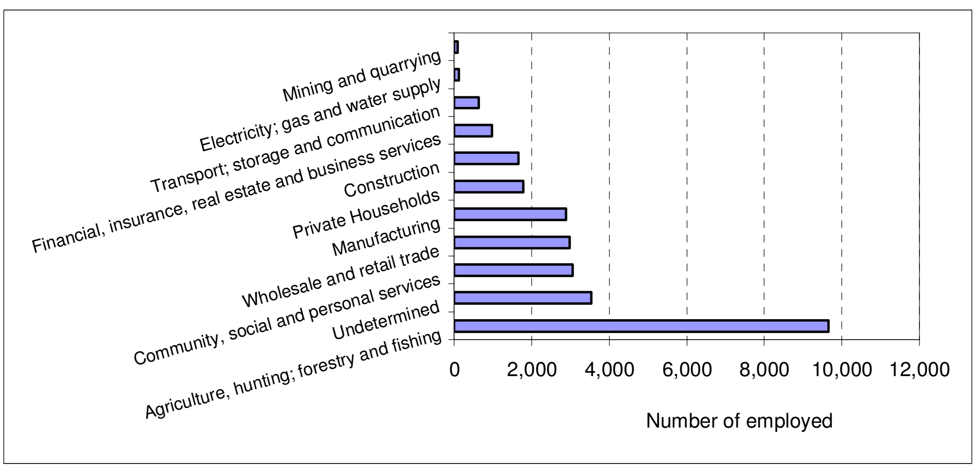
Figure 5: Characteristics of Swartland's employed and unemployed, 2001



Statistics South Africa, Census 2001

Africans and the youth (aged 15-24) are largely affected by unemployment while males and whites' enjoy proportionally greater shares of the employed.

Figure 6: Saldanha Bay Employment Numbers by Sector, 2001



Statistics South Africa, Census 2001

In 2001, the Agriculture, Hunting, Forestry & Fishing sector accounted for 35,3 per cent of employment. Manufacturing, Wholesale & Retail Trade and Community Social & Personal Services each contributed around 10 per cent to employment.

Access to services and household well-being

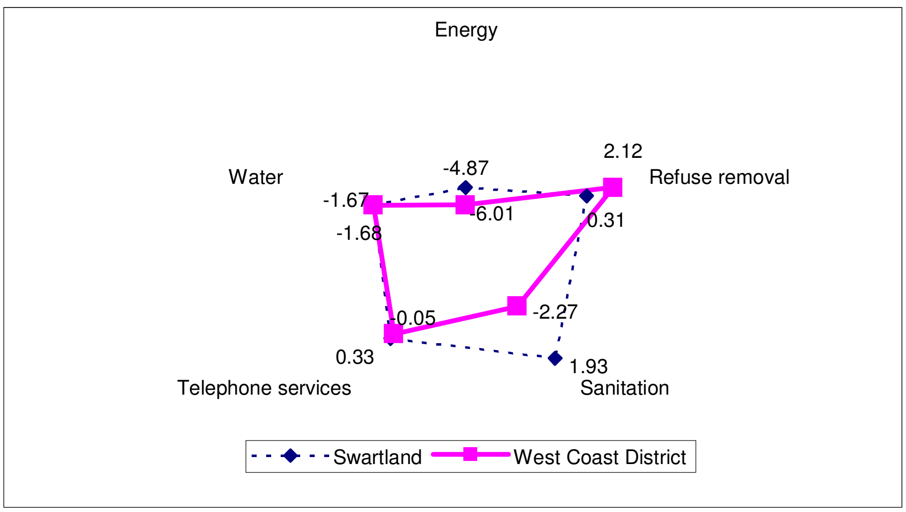
Shared or broad-based growth requires that poor people gain access to tangible assets, such as land, housing, water, energy, sanitation, transport and credit, or intangible assets, such as education, health and personal safety.

Indicators that measure access to basic services (energy, water, refuse removal, telephone services, sanitation), access to social services (education, health care and policing), access to income-generating activities and where available, attendant socio-economic well-being, such as educational attainment, health status, crime levels, income distribution and poverty levels depict the quality of life that the average citizen faces.

Basic service provision[8]

Access to basic services[9] has considerable influence on the standards of living and quality of life of people living in the area. The figure below compares the Swartland to the West Coast District on five measures of basic services, namely energy, water, refuse removal, telephone services and sanitation. It comprises only of the households with access to less than basic services. The negative sign in numbers indicate an improvement in access to respective services.

Figure 7: Percentage change in households with below basic access to services – Swartland versus West Coast, 1996 & 2001



Statistics South Africa: 2001 Census – Community profile database, DBSA

Swartland recorded mixed results in the ability of households to access basic services in 1996 compared with 2001. It showed improvements in access to energy (of 516 households) and water (220) as reflected by the decrease in the number of households with below basic access to these basic services. Refuse removal, sanitation and telephone services all showed increases in the number of

8 The information on basic services is from the 1996 and 2001 census. Although it is five years on from the last census, it gives an indication of the level and changes in access to services in the inter-census period. Further information is drawn from the Development Profile of Saldanha Bay Municipality, Analysis of the Status Quo, April 2002 as well as Independent Electoral Commission. The information on basic services is from the 1996 and 2001 census.

9 Less than basic access to services defined as: Energy - Gas, paraffin, candles and other; Refuse removal- own refuse dump, and no rubbish disposal; Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other; Telephone services -Telephone at another location not nearby and no access to a telephone; Sanitation - Bucket latrine, and none.

households with below basic access to these services, indicating declines in the number of households accessing these services.

Swartland performed particularly poorly in accessing sanitation services. In 2001, 603 additional households had less than basic access to sanitation, compared to 1996.

Table 5: Changes in access to basic services between 1996 and 2001: Swartland

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Swartland	% Change 1996-2001	-4,9	0,3	1,9	0,3	-1,7
	Number of households (Change 1996-2001)	-516	817	603	250	-220
	Number of households with below basic access to services 2001	1 642	4 979	1 934	1 283	285

Statistics South Africa: 2001 Census – Community profile database, DBSA

Access to Housing

Swartland had a housing backlog of 1 139 in 2001 that remained unchanged in 2004. In the period between 1994 and 2004, 5 110 housing units were built.

Housing is an important area of service delivery in the Western Cape. According to Census 2001, Swartland Municipality had close to 18 667 housing units, of which 94 per cent were formal structures, while informal housing comprises only 6 per cent of all housing units.

Access to education and educational attainment levels

Swartland Municipality has a combined total of 40 secondary and primary schools, representing 30,08 per cent of all schools in the West Coast district. It has a learner/educator ratio of 37, the same as that of the district. Illeracy rates were also high in Swartland with 31 per cent of people over 14 years have less than 7 years formal education, just slightly above the district average of 29 per cent.

Table 6: Education statistics

	Swartland Municipality	West Coast District
Number of schools (primary and high)	40	133
Percentage of people over 14 illiterate (less than grade 7)	31	29
Educator learner ratio	37	37

Western Cape Education Department, 2006

According to Census 2001, education levels indicate that nearly 10 per cent of the population in Swartland have no schooling. This is worse than the district average at 9,2 per and the province at 5,7 per cent. An additional 23,2 per cent of individuals in Swartland have not completed primary school education, as compared to 21,7 per cent for the district.

In general education outcomes in Swartland are roughly similar to that of the district with 18,8 per cent having matriculated and 7,4 per cent having higher education qualifications. At this level is does slightly better than the district with proportions of 18,5 per cent matriculated and 6,7 per cent with higher education. However it is performing poorly when compared to the province. The province has 23,4 per cent matriculated and 11,2 per cent with higher education..

Table 7: Highest education level grouped for 20+ ages, 2001

	Swartland	Percentage	District	Percentage
No schooling	4,451	10.0	16,177	9.2
Some primary	10,318	23.2	38,167	21.7
Completed primary	4,441	10.0	18,511	10.5
Some secondary	13,672	30.7	58,561	33.3
Grade 12/Std 12	8,355	18.8	32,440	18.5
Higher	3,319	7.4	11,855	6.7

Statistics South Africa, Census 2001

Access to health services and health status

In health, the proportion of people under 1 year with first measles immunisation was 101 per cent. TB prevalence is 1 135 for every 100 000 people in the population with a low cure rate of 67 per cent, well short of the national target of 85 per cent. The patient nurse ratio at 36 was slightly higher than the national target of 34.

HIV prevalence is projected to increase from 1,9 per cent to 3,1 per cent in 2005 and expected to increase to 3,9 per cent by 2010 (ASSA2003 Model, CARE 2005). AIDS deaths are projected to increase from 51 in 2001 to 98 in 2005. Aids deaths increased from 7,9 per cent to 13,4 per cent of the the total deaths between 2001 and 2005. By 2010, AIDS deaths are projected to accounted for 19,8 per cent of all deaths in Swartland.

Table 8: Health measures

	Swartland Municipality	West Coast District	National Health Targets
Number of medical facilities	17	74	
Nurse-patient workload per day	36	40	34
Percentage births under 2.5kg	8%	16%	Less than 10%
Proportion of under 1 year olds with 1st measles immunisation	101%	88%	90%
TB prevalence rate per every 100 000 people	1 135	1 214	
TB cure rate	67%	73%	85%
HIV/AIDS prevalence 2005	3.1	3.2	
Number of AIDS deaths 2005	98	425	
HIV/AIDS prevalence 2010	3.9	4.3	
Number of AIDS deaths 2010	164	807	

Department of Health (2005); CARE 2005

Access to policing services and crime status

Reported crime statistics are mixed, with a decreasing trend in cases of murder and neglect and ill treatment of children between from 2003/2004 to 2004/2005. Reported rapes increased from 125 to 148 over the same period with drug related crimes surging from 378 to 613.

Table 9: Reported crime statistics

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	79	58	53
Rape	125	129	148
Neglect and ill-treatment of children	20	19	17
Drug related crime	378	539	613
Total number of reported crimes	**6 718**	**6 581**	**5 881**

SAPS (2005), Department of Health (2005), Department of the Premier (2005)

Indicators of well being: Human Development Index (HDI), City Development Index (CDI), Provincial Index of Multiple Deprivation (PIMD)

The Human Development Index (HDI) is a composite measure that provides information on the human development performance of a region. It is an average of health, education, income and infrastructure indicators.

Table 10: Human and City Development Indices and component scores

	Swartland Municipality	Western Cape Province
HDI	0.74	**0.72**
Health	0.66	0.63
Income	0.80	0.84
Education	0.76	0.68
CDI	0.75	**0.81**
Infrastructure	0.76	0.79
Waste	0.71	0.89
Health	0.69	0.68
Education	0.81	0.86
Income	0.80	0.82

Department of the Premier, 2005

The HDI of Swartland (0,74) was above the provincial average of 0,72. The income component of the municipalities (0.80) was the only component that was lower that that of the province (0.84).

The CDI (0,75) did not match up to the province’s 0,81. Education of 0,81 (0.86 for the province) and waste of 0,71 (0.89 for the province) did not compare favourably with the province.

Table 11: Percentage of wards that fall within each quartile of wards in the Western Cape on the various Deprivation Domains 2001 – Swartland

Domain	Percentage of wards in least deprived 25%	Percentage of wards in least deprived 25-50%	Percentage of wards in most deprived 25-50%	Percentage of wards in most deprived 25%
Overall PIMD	30	30	40	0
Income	20	40	40	0
Employment	50	30	20	0
Education	0	10	50	40
Health	60	20	20	0
Environment	10	40	30	20

Noble, M., Barnes, H., Noble, S., Ntshongwana, P. and Wright, G. (2006) The Western Cape Provincial Index of Multiple Deprivation 2001, University of Oxford, UK

Analysis of the Provincial Index of Multiple Deprivation (PIMD) reveals that wards in the Swartland area are less deprived, on average, than wards in the Western Cape. Of all the wards in Swartland, 60 per cent fell within the least deprived wards in the Western Cape.

Deprivation of education in the Swartland is particularly poor compared to other municipalities in the Western Cape. 90 per cent of wards in the Swartland were in the most deprived half of provincial education deprivation.

The overall PIMD indicates that Swartland's wards performed marginally better than the average of the province.

Access to income generating activities and income distribution and poverty levels

There are numerous ways and means to generate income, whether it is formal or informal employment, through a wage income or self-employment, or, for those on the lower end of the income spectrum, through access to the government's extended public works employment programme or social security grant system.

Formal employment and skill level[10] distribution

In terms of skill[11] category of 2001, 12,4 per cent of the employed were highly skilled, 35,7 per cent were skilled and 51,9 per cent in low skilled occupations. These proportions were very similar to the district proportions. Swartland, like the district, has more than half its employed population in occupations of low skill.

Table 12: Skill level of the employed, 2001

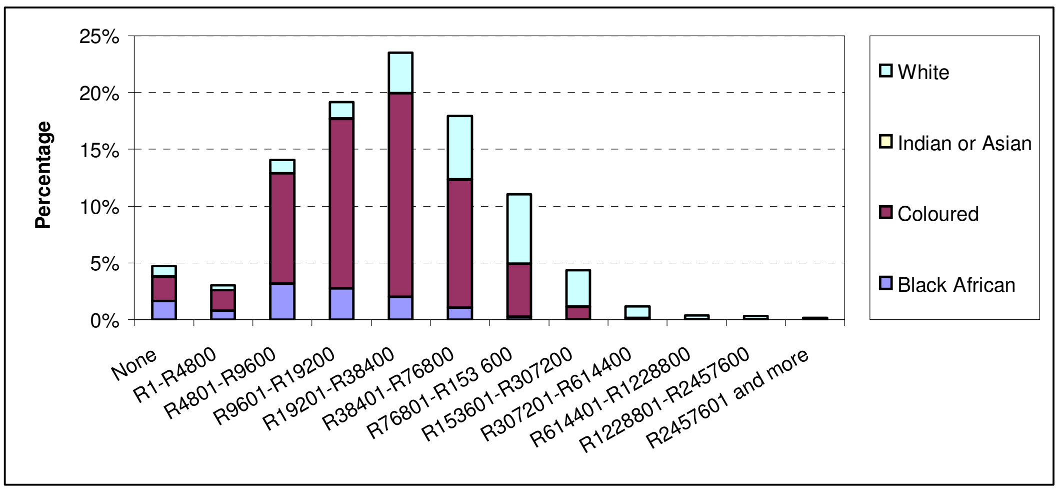
	District	Swartland
High skilled	12.3	12.4
Skilled	36.5	35.7
Low skilled	51.2	51.9

Statistics South Africa, Census 2001

Income distribution and poverty levels

Households' ability to access different income generating activities influences their positioning within the municipality's income distribution as well as the municipality's poverty levels.

Figure 8: Swartland Income Distribution by Population Group, 2001



Statistics South Africa, Census 2001

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[10] Low skill occupations are defined as individuals employed in elementary occupations; skilled occupations include clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, as well as plant and machine operators and assemblers. The high skilled occupations category includes professions such as legislators, senior officials and managers, professionals, as well as technicians and associate professionals.

[11] High skilled - Legislators, senior officials and managers, Professionals, Technicians and associate professionals; Skilled – Clerks, Service workers, shop and market sales workers, Skilled agricultural and fishery workers, Craft and related trades workers, Plant and machine operators and assemblers; Low skilled – Elementary occupations. Unknown occupations were excluded from calculations.

In Swartland, household income is concentrated in the lower-to- middle income categories, with the bulk of the households' income ranging between R4 800 and R153 600 per annum. Whites are predominantly higher income earners.

In 2001 in the Swartland, 4,74 per cent of all households had no income with an additional 3,05 per cent earning between R1 and R4 800 per annum or up to R400 a month. Female headed households totalled 26,8 per cent and households headed by persons aged 15-24 years totaled 5,5 per cent of all households.

Access to government income support

Social grants[12]

Social grant payments are social payments made to individuals on the basis of specific needs and on the basis of having specific characteristics, e.g. one of the old age grant specifications is the minimum age limit. Social grants supplement income for those vulnerable and in need and lift households with no income out of abject poverty.

Table 13: Social grants data 2005

Swartland	Average number of recipients (monthly)	Proportion of total recipients	Proportion of total recipients West Coast District	Average monthly value of grant[13]	Total value of grants paid (monthly in Rands)
Old age	174	31.72	29.28	749.49	130 661
Disability	141	25.60	24.03	862.26	121 292
Foster care	22	4.06	3.62	868.99	19 408
Care dependency grant	9	1.59	1.06	747.05	6 537
Child support	197	35.89	39.81	246.29	48 582
Grant in aid	6	1.03	2.07	160.00	907
All other grants	1	0.11	0.13		
Total grants	550	100.00	100	597.29	328,262

SASSA, 2006

[12] South Africa South Security Agency 2006, ALLPAY annual data for 2005. Only represents payments made at ALLPAY stations.

[13] The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:
Lumpsum for the beneficiary due to the date the grant was put in payment versus the application date.
Lumpsum for the beneficiary due to previous month's grant being uncollected.
Lumpsum for the beneficiary due to re-instatements
Yearly beneficiary uptake (new applications)
Yearly Paypoints transfers (movement of beneficiaries between paypoints)

The average number of grants paid monthly during 2005 in Swartland was 550. The largest proportions of recipients were of the child support (35,89%), old age (31,72%) and disability grants (26,60%). The child support exceeded the other grants, but not as much as in some of the other local municipalities in the West Coast. The proportion of child support grants was below the district average while that of old age and disability was just above that of the district.

The monthly value of the child support grant (R246,29 per month) is significantly smaller than that of old age (R862,26 per month) and disability (R749,49 per month).

Municipal Sustainability

Municipality stability and sustainability in respect of political environment, revenue generation capacity and internal capacity are critical to ensuring service delivery at the local level in support of the province's shared growth and integrated development goals.

Political environment

This section discusses the political environment in the local government area. It also attempts to determine the sustainability of local government by looking at its revenue generation capacity and debt and creditor systems.

Table 14: Municipal election results, 2000 and 2006

Political party	Total Seats	
Municipal Election	**2006**	**2000**
African Christian Democratic Party	1	1
African National Congress	6	6
Democratic Alliance	12	11
Independent Democrats	1	0
Independents	0	0
Pan Africanist Congress Of Azania	0	0
United Democratic Movement	0	0
Vryheidsfront Plus	0	0
Verenigde Gemeenskap Organisasie	0	1
Total number of seats	**20**	**19**

Own representation based on IEC data

Between 2000 and 2006, the number of seats in Swartland increased by one, from 19 to 20. The 2006 results show only slight changes in seat allocation, with the Democratic Alliance gaining an additional seat and the Independent Democrats up one seat. The Verenigde Gemeenskap Organisasie who had one seat in 2000 did not feature in 2006.

Revenue generation

This sub section analyses sources of own revenue in order to support the delivery of basic services, and in particular ensure appropriate investment in, and maintenance and operation of key basic economic infrastructure.

Total municipal revenue for Swartland Municipality for 2006/2007 financial year is budgeted at R317,5 million. Other sources of revenue constitute the largest part of the total (R133,3 million or 42,01%). Own revenue also made up a large proportion of total revenue (R126,4 or 39,82%). Revenue growth over the MTERF is projected to grow at an average annual rate of 4,8 per cent.

Table 15: Overall municipal revenue

Table 1: Overall municipal revenue						
Source	**Budget**	**Budget**	**Medium Term estimate**		**Growth**	
R'000	**2005/06**	**2006/07**	**2007/08**	**2008/09**	**05/06-06/07**	**MTERF**
Transfers	**40 417**	**57 691**	**37 827**	**41 576**	**42.7%**	**0.9%**
National transfers	8 109	8 932	5 563	6 600	10.1%	-6.6%
Provincial transfers	9 872	10 000	2 801	3 129	1.3%	-31.8%
Municipal transfers	6 141	1 209	1 000	1 000	-80.3%	-45.4%
Unclassified	16 295	37 550	28 463	30 847	130.4%	23.7%
Main sources of own revenue	118 512	126 455	137 941	152 010	6.7%	8.7%
All other sources of revenue	65 559	133 387	89 606	64 728	103.5%	-0.4%
Total	**224 488**	**317 533**	**265 374**	**258 314**	**41.4%**	**4.8%**

Calculated by Provincial Treasury, Fiscal Policy Unit based on Saldanha Bay: Final Budget 2006 MTREF

Own revenue is derived primarily from electricity (45,4%) and property rates (29,1%). Other sources are from sanitation (9,1%), water (8,9%) and refuse removal (7,5%).

Table 16: Main sources of own revenue

Table 4: Main sources of own revenue						
R'000	**Budget**	**Budget**	**Medium Term estimate**		**Growth**	
	2005/06	**2006/07**	**2007/08**	**2008/09**	**05/06-06/07**	**MTERF**
Property rates	28.8%	29.1%	29.7%	31.0%	7.7%	11.3%
Electricity	43.8%	45.4%	44.3%	42.7%	10.6%	7.8%
Water	11.9%	8.9%	8.8%	8.5%	-20.3%	-2.8%
Sanitation	8.6%	9.1%	9.5%	9.8%	13.0%	13.6%
Refuse removal	6.8%	7.5%	7.8%	7.9%	16.5%	14.2%
Other	0.0%	0.0%	0.0%	0.0%		
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**6.7%**	**8.7%**

Calculated by Provincial Treasury, Fiscal Policy Unit based on Saldanha Bay: Final Budget 2006 MTREF

Total own revenue growth over the MTERF is expected to be at an average annual rate 8,7 per cent, driven by growth from refuse removal (14,2%), sanitation (13,6%), property rates (11,3%) and electricity (7,8%) revenues.

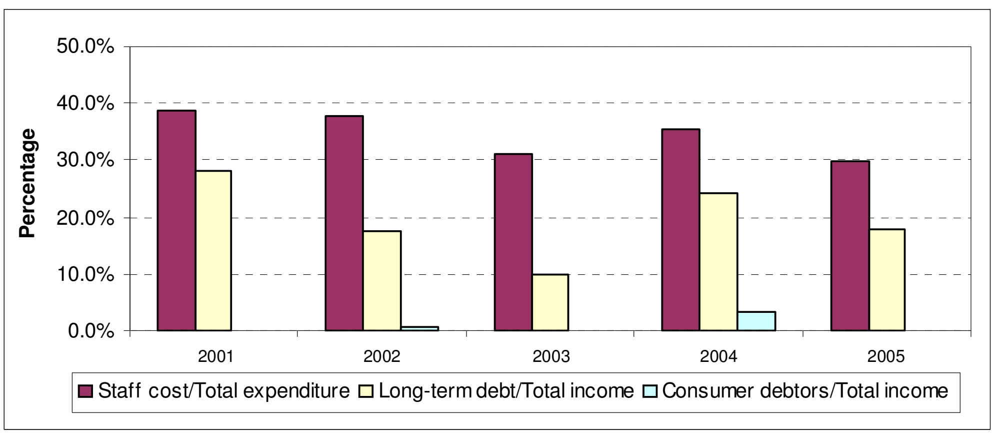
In order to secure this revenue, the municipality needs to have systems in place to ensure collection for these services. The norm period for debtor collection is 42 days. The municipality has exceeded the norm for debtor collections. For the 2003/4, Swartland's ratio was 57 and improved slightly to 51 in 2004/5.

Debt analysis at the end of February 2005/06 showed a total debt amount of R17,9 million, with 44 per cent of debt over 90 days old. Local government need to ensure collection so that it has sufficient resources for service delivery. It is clear that debtor levels are well above the norm and that the municipality would need to address this to secure revenue that it requires in meeting its service delivery obligations.

Financial ratios

Staff cost as a proportion of total expenditure declined from 38,8 per cent in 2001 to 29,7 per cent in 2005. From 2001 to 2005, long term debt as a proportion of total income fluctuated between a high of 28,0 per cent in 2001 and 10 per cent in 2003. Consumer debt only shows positive figures for 2002 (0,6%) and 2004 (3,4%).

Figure 9: Financial ratios



Inca, 2005

Staff costs, long term debt and consumer debt all impact on the ability of the municipality to deliver service.

Conclusion

Swartland's economy performed relatively well, growing at an annual average rate of 3,6 per cent between 1995 and 2004, increasing to 4,4 per cent between 2000 and 2004. Swartland is characterised by low incomes and inadequate access to basic services (especially sanitation and energy) and escalating drug-related crime.

Given Swartland's relative size within the district, improvement in health indicators and infrastructure spending could also improve the district's overall performance. Job creation by labour intensive industries and targeted Extended Public Works Programmes can further contribute to improved household incomes and access to basic services.